

INSIDE: COMING TO GRIPS WITH THE BUDGET
A MIDNIGHT MURDER IN STOCKHOLM

Maclean's

MARCH 10, 1986

CANADA'S WEEKLY NEWSMAGAZINE

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Why the 'Little Guy' Quit

Jean Chrétien's
defiant departure

The struggle to secure
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MARCH 16, 1988 VOL. 19 NO. 10

COVER

'Enough is enough'

Twenty months after losing out to John Turner for the national leadership of the Liberal party, Jean Chrétien resigned from Parliament. Whether his departure from politics was permanent remained unclear in Ottawa and in Quebec City, where the Quebec wing of the federal party held a previously arranged weekend meeting. —Page 14

PHOTO BY JOHN HARRIS



'The long agony is over'

An infant, Filippon rejected in Manila, Ferdinand Marcos began his life in exile, leaving the presidency to Corason Aquino and her "people power." —Page 36



Facing up to austerity

Finance Minister Michael Wilson's budget launched a major attack on the federal deficit—and the middle class, particularly, is facing higher taxes. —Page 40

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Murder of a man of peace

An assassin's bullet took the life of Sweden's Prime Minister Olof Palme in a Stockholm street, winning an ardent activist for a world free of violence and deprivation. —Page 28



The globe-trotting Stallone

Twenty-one-year-old model Demi Moore travels constantly, confusing those who try to keep pace with her—including half-brothers Sylvester and Frank. —Page 57

Witty politics

Oh, Allan Fotheringham, I read your "Politics of a different kind" (Column, Feb. 17) and tears of laughter ran down my face. Longue we learned to laugh at our B.C. politicians, it's a defense against tears of frustration and disappointment which, if allowed to flow freely, would double the precipitation of our dear land.

—PATRICK W. HARTLEY,
Pittman, B.C.

Technology and the unions

Why don't the Canadian Labour Congress and the auto makers have a great victory with their contract with the Canadian Imperial Bank of Commerce ("Opening a breakthrough in business," L. Box, Feb. 17)? I feel sorry for the employees and angry with the C.I.B. for urging them on. Employees of financial institutions are very vulnerable. These institutions are in the best position to use technology in their day-to-day activities, and if their members don't, it won't be long before a large percentage of the employees are sacrificed to technology and its more efficient office procedures. C.I.B. member Ralph Griffin took five years down the road toward the goal of 10,000 automated bank workers if you keep pressing the banks in five years you won't have 10,000 bank employees to automate.

—LORRENCE S. FREDERICK,
Calgary

Women in space

Your Feb. 20 story, "A space tragedy," says that in 1984 Judith Arenal became the second woman in space, af-



R.C. Premier Bill Bennett, 66 years

ter Billy Balle. In fact, she was the fourth woman in space. Valentina Tereshkova of the Soviet Union was first when, in 1963, her Voskhod 2 orbited the Earth 48 times. Svetlana Savitskaya, also a Soviet, was second in 1982. It was in the following year that Sally Ride became the first American woman in space, followed by Judith Arenal—the second American woman and the fourth overall.

—DEBORAH EGALA,
Durand, Que.

The persistent national debt

In his Feb. 27 column, Peter G. Newman discusses the government's inevitable for reducing the federal deficit and its pledge to reduce the national debt ("The Conservatives turn tough," Business Watch). Even a reduced deficit would still increase the national debt. A balanced budget would prevent the national debt from increasing. Only a budget surplus would provide the means with which to begin the reduction of the national debt.

—LARRY J. KROFEL,
University Professor,
University of Alberta
Edmonton

News across the border

With regard to Charles Gordon's column on the great influence of the U.S. media on Canadian news ("The free trade in information," Feb. 17), things seem to be getting better on our side of the border. In status like Washington news from Canada, reported by Canadian journalists, is commonplace. Many of us subscribe to the cable, so we can watch The National, Unwired and other programs from Canadian newsmen. It's refreshing to view TV newscasters who aren't too glib like Halpern and Ron Dolan. News from Canada is becoming more and more a part of American lives. We are thankful for it.

—JOHN W. COHEN,
Poughkeepsie, Wash.

PASSAGES

DIED: Former federal NDP leader T.C. (Timothy) Douglas, 61, of cancer, in Ottawa (page 38)

ASSASSINATED: Swedish Prime Minister Olof Palme, 58, who was walking on a Stockholm street last Friday evening (page 38)

DIED: Legendary goaltender Jacques Plante, 37, who introduced the face mask into professional ice hockey, in the National Hockey League and was the first amateur to venture from his career to clear house packs, of stomach cancer, in Los Angeles, Calif. (page 38)

Plante played for the Montreal Canadiens from 1952 to 1968. He was then traded to the New York Rangers, before retiring in 1969. In 1969 he made a comeback with the St. Louis Blues, winning his seventh Vezina trophy. He went on to play for the Toronto Maple Leafs and the Boston Bruins. In 1973 Plante switched to a career of coaching and managing, first with the World Hockey Association's Quebec Nordiques and later, after a stint as goaltender with the WHA's Rochester Oilers, with senior teams in Switzerland. At the time of his death Plante, who had lived in Switzerland since 1978, was working for the Blues as a goaltending coach.

DIED: Former Supreme Court Justice Louis-Philippe St. Laurent, 81, who in 1967 became the first member of the court to be appointed by former prime minister (then justice minister) Pierre Trudeau and who served as the dominant civil law jurist over the next 12 years, after a short illness, in Ottawa.

RESIGNED: Conservative backroom veteran Peter White, 45, the special appointments secretary and patronage chief since September, 1984, to Prime Minister Brian Mulroney. White, a longtime resident of London, Ont., will take over as president and chief executive officer of the former General Bank's depleted chain of Dominion Stores Ltd.

SUSPENDED: The Kansas City Royals' Lesie Smith, 30, the New York Yankees' Dale Berra, 28, the Oakland Athletics' Jorgin Andujar, 33, and first overall major league baseball player who last year admitted to using cocaine when they testified against accused drug dealer Curtis Strong at a trial in Pittsburgh by baseball commissioner Peter Ueberroth, in New York. Ueberroth said that he would keep the one-year suspension in abeyance if the players donated 10 per cent of their base salaries to a drug abuse program, agreed to random drug testing and performed 300 hours of community service this year and in 1987.

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No strings attached

Your feature on humanitarians and why timely and important ("New hope for the children," Cover, Feb. 3). By educating the public, Wason's campaign is a vital step in bringing about solutions to the problem of world hunger and disease. However, our job is made difficult when you publish a statement linking an employee of World Vision to the Oka ("An emotional link between worlds," World Vision, has never hired any employees with such connections in Honduras or elsewhere).

—WILLIAM J. MCKELL,
Executive Director,
World Vision Canada,
Mississauga, Ont.

Black history in Canada

In a long-overdue article about Canadian blacks, Gwen Robinson says that "we blacks have been largely forgotten from the history books" ("A black view of Canada," Cover, Jan. 28). Fortunately, the new generation of Canadian historians is doing a great deal to correct this oversight. A History of Blacks in Canada, A Study Guide for Teachers and Students, by University of Waterloo historian James W. St. G. Walker, summarizes the history of black communities in Canada and provides a wealth of bibliographic information. Also, the Canadian Historical Association has published Walker's concise booklet, The West Indians in Canada.

—REGINALD WELLES,
Waterloo, Ont.

A partisan lobby for peace

In your Jan. 18 edition you mentioned retired U.S. Admiral Eugene Carroll in an article on U.S.-Soviet relations ("An exchange of hopes," World) and in another on Libya's Col. Mouammar Khadafi ("Khadafi's visions," World). In the Khadafi article you referred to him as "deputy director of the U.S. Center for Defense Information." This phrase may give your readers the impression that Carroll is associated with the U.S. government. The Center for Defense Information is a small, consistently left-wing, private "peace" lobby. Carroll certainly has a right to his views and to his expression. But your readers have a right to be informed that he often carries the flag of partisanship.

—GERALD P. STETAN,
Center for Canadian and
Canadian-American Studies,
Western Washington University,
Bellingham, Wash.

Letters are edited and may be condensed. Please include your address and daytime phone number. Mail correspondence to: Letters to the Editor, Maclean's magazine, Maclean's Building Ltd., 777 King St. West, Toronto, Ont. M5W 1A7.

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Q&A: NAOMI TUTU-SEEVERS

An activist in exile



Tutu-Seever in Hartford: 'we've always been a very close family'

She is the daughter of one of South Africa's best-known opponents of apartheid—Nobel Peace Prize laureate Bishop Desmond Tutu. Following in her father's footsteps, Naomi Tutu-Seever, 25, is emerging as a vocal foe of the white government of Pretoria in her own right. Tutu-Seever is a combatant with Ekwasi Liberty Services Ltd., a firm specializing in anti-apartheid development, located in Hartford, Conn. She lives with her American husband, Gordon Seever, whom she married in 1992, but retains her South African citizenship. Last year she founded the Bishop Tutu Refugee Fund to assist blacks who have fled from South Africa. Maclean's assistant editor Janet Knight interviewed her recently in Hartford.

Maclean's: What was Bishop Tutu like as a father?

Tutu-Seever: He was very patient. Our family is very much an African family, but we grew up doing things that African children are not expected to do—such as speaking out and questioning authority. He never hit us. Actually, the way he punished us was even worse, because he'd sit there and talk to you and tell you how disappointed he was in the way you acted. It's easier just to be beaten and get it over with.

Maclean's: Were your two sisters and brother always involved in your father's activism?

Tutu-Seever: We've always been a very close family. On the other hand, we all tend to be very independent people

When your father is a priest you are a part of his work. Everybody knows you are a priest's child. There is no way you can escape that and the responsibility that comes with it. We all fight against it.

Maclean's: How your father's role changed since he became a world figure? **Tutu-Seever:** He has always been vocal within South Africa. But he became prominent with the Nobel Peace Prize. People who had never heard of South Africa or Bishop Tutu suddenly became aware that there were problems in South Africa and it was Tutu who was talking about them. Within white South Africa his role has changed somewhat. For a lot of whites he is a devil incarnate.

Maclean's: How is being black different in the United States than in South Africa?

Tutu-Seever: The major difference is that in the United States, when I run against prejudice, I can walk away from it. I can say that it's your loss if you're judging me by the color of my skin and you're not giving me a chance to prove myself as a human being. In South Africa, when you run up against prejudice, you can't walk away because it doesn't end with this person who is acting in that way. They can call in all the powers of the state to intervene on their side and you don't stand a chance as a black person.

Maclean's: How do you deal with that? **Tutu-Seever:** When the plane approaches the Johannesburg airport I

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become a different person. You not Natom, free and easy with anybody I meet. I become a black person—knowing the kind of humiliation and degradation that you face in South Africa if you are black. The humiliation is one of the basic things of the apartheid system—of having to walk around with this little book that any police officer can demand you show him, this book which is supposed to be your life and says where you can be, what you can be doing. The humiliation of being told that you're not a citizen in the country you were born in.

Maclean's: How do you explain fighting between black groups inside South Africa?

Tutu-Sevens: When you look at the black internal conflict you really have to look at its causes apart from tribalism. For example, we heard about violence between Pondos and Xosha in the Natal area. A lot of the conflict is economically based and is put into place by the government's policy of dividing and conquering.

Maclean's: What would the impact be if Western nations imposed economic sanctions against the Pretoria government?

Tutu-Sevens: The people who would be the most affected are those who work for foreign companies, people within the trade unions, people in the urban areas whose life is built around money [But] time and again, in independent polls, these people have said "We know that we will suffer. We are suffering now. The suffering we would go through if powerful pressures were applied against the government would be a suffering which would lead to our own freedom." Black Africans are willing to face that kind of suffering.

Maclean's: Many people, including your father, place deadlines on change for South Africa. How close does that bring them to advocating violence?

Tutu-Sevens: My father, and other people who have espoused peaceful solutions in South Africa, are getting frustrated and are losing hope for relatively peaceful change in South Africa because of the intransigence of the government. A large proportion of the Christian church in South Africa is now questioning at what point it becomes more and to tell people to protest nonviolently against a system that continues to be violent and shoot peaceful protesters in the street.

Maclean's: How realistic is the hope for a peaceful solution?

Tutu-Sevens: I don't know. People fighting for peaceful change have become few and far between. As my father says, it's amazing that young people continue to listen to people like him at all. The government continues everything that it has done in the past. It has banned organizations, detained leaders, placed people on treason charges, declared a state of emergency and sent the army in. With all the repression and death that has occurred, young people in South Africa are increasingly saying "We've done everything that the world keeps telling us to do. We've been patient and all we're getting for the repression is death of our brothers and sisters."

Maclean's: Is there room for whites in South Africa under black rule?

Tutu-Sevens: That is a decision that white South Africans are going to make. Anyone who is prepared to work to build a just society in South Africa is welcome. Somebody has talked about throwing them into the sea. We're struggling for a society where human beings matter because they are people, because they are made in the image of God and not because of the color of their skin. Look at Zimbabwe. One of the things that did not happen was a mass slaughtering of white people. Now, many of the white people are coming back. If the history of Africa has shown anything, it is that African people are a forgiving people.

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TAKE A PONY FOR A RIDE

The scars of poverty

To many Canadians, the Annapolis Valley is known for its sexual Apple Blossom Festival held each June. The week-long event celebrates wholesome country living, the Valley's spectacular beauty and the richness of its \$120-million-a-year farm industry. Even in winter the Valley's leafless orchards and solid farmhouses evoke an image of unspoiled prosperity. But for many of the region's 45,000 residents, that perception is cruelly deceiving. Two years ago a series of shocking sex charges exposed widespread poverty in the low mountains which gird the 120-km valley. Thousands of people live in inadequate shelter, and prejudice and deprivation are widespread. Many subsist on below-minimum wages as farm laborers or carry the scars of generations of isolation and inbreeding.

In February, 1988, prosecutors told a shocked provincial court in the valley town of Kentville that for more than a decade men and women of a Valley family, the Gomers, living in the squalor of small, decrepit shacks, had habit-

ually forced children as young as six to join in sexual acts. Ultimately, 15 men and women—including seven members of the Goler family—were found guilty of a variety of sexual offenses. But what concerned local residents even more than the sensational charges against one family was that

Many families living in the hills surrounding the Annapolis Valley endure severe deprivation and inadequate shelter

the Gomers were not alone. As many as 4,000 of the 45,000 people in Kings County, the Valley's largest municipal unit, may live in conditions no better than those which contributed to the Goler family's crimes. At first, many people in the region expressed outrage at the squalid exposure. But recently that attitude has begun to

change. Municipal elections last fall brought a new kind of reform to Valley politics. And this month a Nova Scotia provincial cabinet committee will consider an innovative plan to provide new homes to many of the area's neediest families.

By the time a 14-year-old girl complained to a teacher in January, 1984, that she had been sexually abused at home, incest had become a habit for the extended Goler clan of White Rock Mountain, a barren ridge on the Valley's South Mountain. Police learned that so many as 10 people shared the cramped and decaying three-bedroom home at one time. After an investigation, the RCMP laid 170 sexually related charges against seven family members including three brothers, their two sisters and two teenage nephews, as well as eight other adults. The charges ranged from sexual assault to gross indecency, buggery, incest and having sexual intercourse with a minor. In October, 1984, Willie Goler, a 38-year-old father of three, including the girl who leveled the original complaint, was sentenced to seven years in prison for his part in the assaults, some against children as young as 5. The 14 others received sentences ranging from six months to six years. Three have since appealed their convictions.

But the Gomers' crimes appeared to

be the result of generations of poverty and ignorance and not just the product of violent latent and sexual deviance. Most of the accused Gomers were functionally illiterate. According to testimony, as many as five people had had- dled together in a single bed on occasion, trying to keep warm in the family's drafty, over-crowded house- hold. Declared Kentville legal aid lawyer Stephen Mattson, who defended several of the accused: "If you pack 20 people into a two-room house without heat, what do you end up with?" Halifax pediatrician Dr. John Anderson, who has treated incest in dozens of families since 1969, added: "When you've got Mom and Dad and two girls sleeping together because of over-crowding, sexual things will happen. In some cases you are talking about chronic relationships going on for generations."

Still, some experts say that there is not a clear link between poverty and incest. "I have not seen it," declared Colton Rutherford, administrative supervisor of Family and Child-welfare Services of Kings County. But others point to high local rates of birth defects such as deafness as evidence that incest has been practiced for generations among some extended families in the valley and its surrounding mountains. Noted James Stevenson, a



The Gomers, a new mood of reform

psychiatrist at Wolfville's Acadia University, "Intellectual capabilities can get worn down over generations." And a psychologist who tested many of the accused Gomers found several bordering on mental retardation.

Clearly, the miserable living conditions have not prevented incest or caused mental impairment among all Valley residents. But there is no disputing that many are living in wrecks of poverty and desperately inadequate shelter. Robert Butler, 34, his wife Debbie, 28, and their two children, Kelly, 8, and Bobby Jr., 3, are among them. Both parents dropped out of elementary school and work as seasonal farm laborers, earning less than \$100 a week each.

Their home for the past four years has been a narrow plywood box about eight feet wide and 15 feet long set on the crest of Gasperova Mountain, a few kilometres east of White Rock. A cement block holds down the roof beneath a rotted stovepipe. Inside, the floor sags visibly. A length of orange cotton laces a tiny bedroom containing the couple's double bed, and on the floor beside it there is a single mattress where both children sleep. The only plumbing is a bucket. "Sometimes I can't complain. It's not all that cold," Debbie Butler said. "But when the wind's blowing it comes right through

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the walls." In winter, temperatures outside sometimes drop to -85°C.

Across the Valley on North Mountain, Clarence Neve, 38, and his 19-year-old wife, Cindy, share a similar dwelling with their 18-month-old daughter. They expect another child later this year like the Rutters, Clarence is a farm laborer. His last job, digging potatoes, ended with the harvest last November and he is now receiving \$150 in unemployment insurance payments every two weeks. The couple paid \$100 three times ago for what they describe as "a home-built trailer." The trailer has neither plumbing, nor electricity. Kerosene provides light, and for a toilet, Clarence acknowledged with obvious embarrassment, "There is the woods."

According to Cameron Jess, manager of the nonprofit Kings County Housing Repair Society, an estimated 1,000 households in the county live in shingle or plywood structures, devoid of comfort, sanitation or much hope. "I know two senior citizens living in a set of boxes," said Jess. "This housing is worse, gives you chills, that what you see is almost any developing country. There, housing may be more rudimentary, but it is more adequate in terms of what is required to support life."

Until recently, however, few people



Jess outside Hearth Home: assurance.

In the otherwise prosperous Annapolis Valley expressed much sympathy for their impoverished neighbors. The mountain dwellers of poverty were nicknamed derisively "Dogpatch." Speaking generally, Aurele Bickerton, a retired steelworker, warden of Kings County from 1976 to 1986 and a county councillor for 24 years until he was defeated last October, said that the county's poor have only their own "hardness" to blame. "There are a lot of farmers who can't find laborers," Bickerton said. As for the shacks and makeshift shacks, Bickerton said, "They're happy to live in that collection." But the Valley's farmers pay laborers low wages, often more than 50 cents an hour below Nova Scotia's industrial minimum wage of \$4 an hour. "Farmers who are trying to stay afloat themselves," said sociologist Socorro, "are using this highly exploitable labor force." Indeed, for some, farm labor approaches slavery. In one instance related by Jess, a Kings County farmer demanded that his hired man work seven days a week from six in the morning until 6:30 each night. The married father of four was paid \$500 a week and provided with a three-bedroom shack insulated with paper.

Still, the publicity surrounding the Golden case is changing some local attitudes. In December four local governments agreed to study housing standards in the region. And support is growing for a plan fostered by Cameron Jess that could result in many of the area's poorest families obtaining new homes within a year. A private charity donated \$25,000 to build the first model, a two-bedroom, 565-square-foot house called the Hearth Home in the wake of the Golden trial.

Nova Scotia's government last year guaranteed financing for 30 Hearth Homes. Charles Fraser moved into one of the new homes last spring with his wife and three teenagers. Said Fraser: "It's nice to walk in sunshine warm."

Jess has already named the Bellies that they will not spend another winter in their cramped shanty. But for others, even Jess's ambitious construction plans held little hope. The Meyers, for one, could not afford the \$250-a-month mortgage payment for a Hearth Home. "Life is a promise nobody keeps in Kings County," said Jess.

As far as the Golden family and other impoverished Kings County residents evicted 24 months ago, nine of those sentenced in 1984 remain in prison, eight of them in Kingston, Ont., penitentiaries. Four have completed their sentences and two are awaiting appeals on their convictions. "The Gilmers," said Jess, "paid a terrible price."

—CHERRY WOOD in Kings County

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JAGUAR
A NEW WORLD OF ART AND MACHINE

COLUMN

A look beyond the federal budget

By Diane Cohen

The attention focused on last week's budget, including the seemingly endless comments and criticisms by the media and the opposition that followed, Finance Minister Michael Wilson's address to Parliament, will likely continue for weeks. But when the concern surrounding Wilson's budget has subsided we will be left with fundamental issues in the economy that extend far beyond the day-to-day concerns with the Wilson's document. Granted, the budget is an important document. It sets out the government's "fiscal framework" for the year, giving form to Ottawa's interpretation of prevailing economic conditions. It signals the direction the government will take and the actions it will initiate. Nobody in his or her right mind would suggest that the budget exercise isn't important.

But we can go overboard in devoting the weighty, reverential attention that has been lavished upon it. Budget-making in Canada absorbs an enormous amount of energy for what is essentially a whitewash affair. The fiscal framework is, after all, not made of steel. It shifts with the economic tides. Take, for example, what I believe is a prevailing depression in Canada's petroleum sector, Calgary. If the current economic downturn there—created by sagging oil prices—were to spread beyond Alberta's frontiers, then Ottawa would have to revise its prescription for the economy. Economic assistance in the form of heavy government spending—regardless of the size of the elephantine federal budget—would become the order of the day.

I suggest that budgets provide little insight into the actual but fundamental changes now taking place in the economy—independent of government prodding or shaping. These seasonal changes vastly outweigh the influence of Wilson's document last week. There is a need, from time to time, to lift our eyes and our aspirations beyond this year's budget and recognize these profound changes.

First, with or without a standing dollar or the continuing plunge in oil prices, it is clear that the long-standing trend toward more government intervention in the economy is grinding to a halt. It really doesn't matter whether politicians say that the trend stems from a newfound belief that government is better than

doing it publicly. The fact is that there simply isn't enough money being collected by governments to fund their pervasive role in Canadians' lives. This would have been—and will continue to be—true no matter whether Liberals, Conservatives, or New Democrats are elected to power. That is why the government will likely sell off its Crown corporations to the private sector.

At present, Canada is also being ground to competitors in the international marketplace. Technology is changing even as you read about it. It is commonly agreed that technological innovation is the key to improved productivity for our estimated industrial base. It is not just a matter of encouraging companies to defuse themselves in protecting new technology. Canada has a few "leading edge" technology industries such as telecommunications. What is less dramatic—

Budgets provide little insight into the subtle but fundamental changes now taking place in the Canadian economy

and, paradoxically, more exciting—is that almost all industries in the country understand that new technology is critical to long-term growth. This trend is gathering momentum, driven not just by international competition but by a new understanding at home of how important industrial regulation is to our future.

These two developments are changing the nature and the nature of work itself. The rapid adoption of advanced technology is not only changing the skills required of Canadian workers, it is sharply reducing the need for labor. The managerial class is shrinking, restructuring that is already taking place has reduced the number of person-hours needed to produce goods and services. Once people get that message, they will stop flogging the inevitable. This production should

be the key justification for a program of government incentives for specific industries that perform well rather than Ottawa's present program of propping up the losers.

The nation's new attitude toward work and our economic future has not needed to wait for the private sector. Unions have already recognized that job security and worker training programs are the issues that concern their members more than inflation protection or ever greater wage demands. And the revolution in attitudes extends even to the executive suite. Corporations have increasingly begun linking executive compensation to levels of performance. Clearly, all workers—white- and blue-collar—increasingly understand the need for this, and will likely raise it during negotiations in this year's rounds of bargaining. On the other hand, public sector workers will likely remain the canaries for the next several years, and Canadians will themselves become more vocal about public workers' need to perform.

This "need to perform" attitude pervades every facet of Canadian life today. It is the reason so many Canadians are making their own work rather than waiting in line for a job. That is the nature of the small business explosion.

The overall effect of all these changes is that Canadians are becoming more self-reliant. They are doing this either by becoming more entrepreneurial or by being more conservative in their spending habits. They are increasingly suspicious of big bureaucracies, whether in the public or private sector. They already understand the need to restructure the safety net made up of our vast—and expensive—social services so that the programs are targeted primarily at those who have need of them. They already know that much of what is being deducted from their paycheques is for social benefits they will never receive.

These developments in our economy are taking place at such a rapid pace that they might not point to quite the kind of future that many middle-aged Canadians saw for themselves when they were young. But it is a future whose outlines we can already see if we lift our heads high enough. It is a future that is sustainable. It is a future whose cornerstone will survive Budget Days.

Diane Cohen is a Montreal-based economics writer.



'ENOUGH IS ENOUGH'

CANADA/COVER

The critical misunderstanding arose on a February evening over after-dinner cigars and cognac at Stornoway, the official residence of Liberal

Leader John Turner. After dinner, Turner and Jean Chrétien—his former rival for the Liberal leadership, who served as external affairs critic on the party's first bench—retired to the book-lined study. Chrétien wanted to gain Turner's support for a compromise in a badly contested race for the presidency of the party's Quebec wing. Turner wanted to find out what role Chrétien would play next November when he faces an automatic leadership review. According to Chrétien's assistant, he replied that Turner's standing in the popularity polls at the time would decide that issue. But Turner interpreted that comment as a sign of duplicity. That exchange set in motion events that culminated in a bitter and highly publicized feud within the party's Quebec wing—and led ultimately to Chrétien's stunning announcement last week that after 33 years in the House of Commons he was abandoning politics.

Retracted: Chrétien's abrupt departure—the Commons first learned of it when Speaker John Baskley declared Chrétien's seat in the Quebec riding of St-Maurice vacant—followed weeks of rumor and infighting that divided the party's key Quebec wing. For months, Chrétien, 52, who held eight cabinet posts during the Liberals' years in power and emerged under former prime minister Pierre Trudeau as a formidable champion of Canadian unity, had consigned to political oblivion that he was being excluded from a role in the party's leadership. Then, as announcing for control of the Quebec wing intensified, Chrétien said that he felt betrayed and humiliated when Turner—without telling Chrétien of an plan—persuaded former cabinet minister François Fox to withdraw his candidacy for the presidency of the Quebec wing of the party in an uncharacteristic public outburst. Chrétien

then questioned Turner's role in the affairs of the Quebec wing. He also charged that a "big mistake" was developing in the party's Quebec ranks. After brooding for another week over his future, Chrétien decided to resign because, as he told Maclean's in an ex-



Turner at weekend Liberal meeting in Quebec City's startling announcement

clusive interview, "I had lost my freedom" (page 15).

Chrétien told Maclean's Quebec staff correspondent Bruce Wallace that he had found himself in an unenviable political predicament. A Chrétien confidant declared "If he had waited for the leadership review, people would say he was only sticking around because he wanted Turner's job. Then, as we got closer to the next election, people would say, 'Jean, we need you.' So if he quit then, people would call him a quitter. What job is there left for him to do—minister of national revenue?"

Chrétien's decision to leave politics

and practice law in Ottawa and Montreal freed Turner, for now at least, of an awkward political commitment—a risk who is more popular than he is in some parts of the country. Turner said last week that he had tried "on several occasions to understand where Jean Chrétien is, and where John Turner is. But I suppose there can be only one leader."

Toughest: At the same time, Chrétien's departure, and the public dispute that led up to it, may set back the Liberal cause in Quebec, where polls have shown that the massive support for the Tories in the September, 1984, federal election is fading. On the day after Chrétien's resignation Turner went to Quebec City for the annual meeting of the party's Quebec organization. About 600 listeners gave him a standing ovation when he began to speak, although "diplomatic" he seemed some seats to be conspicuously empty—es-

pecially the rows set aside for delegates from Chrétien's St-Maurice riding. Those attending the meeting listened quietly as Turner praised Chrétien and described his previous 33 hours as "one of the toughest days of my life."

Threat: Still, some Quebec Liberals criticized Turner for not being able to keep Chrétien on his side. "I'm not saying Turner created the problem," said a Chrétien supporter, "but it was felt that way by a lot of people. It was a chain reaction that led to the final resignation. Chrétien was tired and fed up and I don't think it was shown

to him that he was doomed as a member of Turner's people."

Chrétien's resignation led to a shewer of tributes and expressions of regret from across the country. "He is a guy who is able, dedicated, honest, passionate and devoted working for the public," declared Saskatchewan corporate lawyer Roy Romanow. As Saskatchewan's New Democratic Party attorney general in 1980, Romanow joined Chrétien

But passion within the Liberal party itself was mixed, and some Liberals were clearly pained by the departure of the brilliant, ambitious Chrétien. Party president Iona Campagnolo, who praised Chrétien publicly, appeared to accept his departure as inevitable. "He was one of the great political warriors of our time. But on the other hand, he had held all of the great ministries," she noted, "and per-

haps he feels the time has come for another challenge." Still, the threat to unity within the Liberals' Quebec wing appeared to be a serious one. The split began to develop after Turner signalled his intention last summer to encourage younger Lib-

erals to take on a prominent role in the province. That led to concerns on the part of some of the former Liberals now defeated in the last election that they would be discouraged from seeking office in the future. With Chrétien's long-standing record of victory in the next election, an anti-Turner faction of party veterans started to coalesce around Chrétien. For his part, Chrétien resented Turner's refusal to make him his Quebec lieutenant—a post that the opposition leader is now likely to give to finance critic and Quebec caucus chairman Raymond Gauthier (page 20).

Constitution: Chrétien's decision to resign was ultimately the result of a decision by former Liberal communications minister Fox. He had decided to join the race for the presidency of the Quebec wing against Paul Rouleau, a 51-year-old Quebec City lawyer who had entered the contest earlier. Although Rouleau had the support of Turner's closest Quebec advisers—including MP and former cabinet minister André Gauthier, as well as Jean Lapierre, a former secretary of the Quebec organization—many former MPs resented his candidacy. "There is a feeling," said former Liberal youth minister Gilles Héroux-Popette, "of being pushed aside. It seems there is a systematic attempt to exclude us from the structure of the party." In the meantime, Chrétien and his supporters were convinced that Fox—as a devoted Turner loyalist with roots in the former government of Pierre Trudeau—would serve as a strong compromise candidate. His candidacy also had the blessing of outgoing Quebec political godfather Marc Lalonde, one of Fox's early mentors.

Double-crossed: The final blow resulted from Chrétien's Feb. 4 dinner meeting with Turner at Stornoway. After that meeting Turner telephoned Fox at his Montreal law office, where he was working late preparing a case, and persuaded him to withdraw from the race. Chrétien, who was backing Fox for the presidency, was deeply af-



Chrétien and wife, Aline, after resignation the 333rd day from the wing

and Turner's then-attorney general Roy McMurtry in the historic "business conference" at the Ottawa Conference Centre to forge a compromise that would eventually lead to partition of the Canadian Constitution from Britain.

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Turner at Stornoway was only their second serious discussion in 18 months. Both men later insisted that the other had misinterpreted things that were said during the Stornoway meeting. Said a Chrétien intimate, "Turner spoke about November, and Chrétien said, 'I am not lifting a finger, not organizing, not working against you.'" Chrétien, meanwhile in the close shadows, added that the outcome of the leadership review would depend on Turner's political performance. Added the associate: "Chrétien thought he said it in a reassuring way—that if you're in trouble, it will be because of the polls. But Turner took it as a lack of support and afterwards was shaken and angry."

Maclean's has also learned that after

his closest friends and advisers—including Trudeau, who told Chrétien only that he should follow the dictates of his conscience. During a week-long parliamentary recess, Chrétien first made up his mind to resign while baby-sitting his two grandsons at the Montreal home of his daughter, France, who is married to André Desmarais, the son of Power Corp. of Canada chairman Paul Desmarais. Afterwards, his mood softened—but it hardened again during a weekend of sking at Estévez outside of Ottawa. When a companion noted that Chrétien was "beating up the kids," he replied that what he liked in life was speed. But he acknowledged that he was ready to leave politics, and that he

set to him, and Chrétien would not have quit if she had not been comfortable with the idea."

For Turner and his party, Chrétien's resignation left a residue of uncertainty—and the possibility of future problems. While Turner faced a continued struggle in his efforts to assert leadership over the party's Quebec wing, his handling of party evolution within the province left an impression of internal disunity.

Strategy: At the same time, Chrétien's departure could eventually set in train a copy of Turner's own strategy during the late 20th. After he resigned as finance minister in 1975, Turner, too, pursued a low profile with a Toronto firm and continued to cultivate

SPEAKING FROM THE HEART

COVER

After Jean Chrétien formally resigned last November, a member of Commons last week, he slipped out a side door of Parliament's Centre Block and into a borrowed car with his wife, Alice. After the four-hour drive to the couple's hometown of Sturgesville, Que., Chrétien spent privately with members in his constituency office, then held a news conference. Later, Maclean's Montreal staff correspondent Bruce Wallace interviewed Chrétien in the Hôtel des Châtes, across the street from the constitutional office of the former MP for St-Maurice.

Canadian people toward me. One of the things I have enjoyed most in my political life is my relationship with the press. I have always treated them as professional people and they have treated me as a professional person. There are not many politicians who can say that. I never complained that much. I never tried to use them. I never went to them and said, "Write me a good story and I will give you some confidentiality in return."

Chrétien: A guy who's done his best. I had some great personal achievements, personal satisfactions. The referendum was the most dangerous thing. The Constitution was the most difficult thing. You might be surprised but the most satisfying thing was my time in India and Northern Ireland. I developed a very good rapport with the native people. Some of them still call me today, 30 years after I left. I doubled the number



For (left), Ouellet and Lapierre, a bitter feud in this party's Quebec wing led the groundwork for Chrétien's resignation

or party members (indicated that during the meeting Turner told Chrétien that he could not be his Quebec lieutenant) because of his failure to get along with Ouellet and Lapierre. When Chrétien asked for a chance to improve those relations, Turner refused. "The opposition leader later told reporters that he assured Chrétien that he needed him. But Turner added that the dispute over the Quebec party presidency was not raised. "Perhaps I should have," he said, "but just wasn't a topic of conversation. We didn't get into Quebec."

Residue: Still, Turner conceded that after the dinner he was aware that Chrétien might resign. Added the leader: "He had an opportunity to get off his sled what he wanted to say, and he said it, and I got off my mind what I wanted to say to him. It is a good dinner." For his part, Chrétien withdrew to consult

ally bedeviled out of a concern that his resignation would intensify quarrelling Quebec Liberals. "This should resolve," noted another supporter, "that he is so benevolent. He never wanted to appear that he was going against the party leaders."

Uncertainty: Chrétien planned to vacation with his wife, Alice, for three weeks. On his return, he will work two days a week in the Ottawa offices of the Toronto-based law firm of Long, Michener, Crozier, which hired him as a consultant after the 1984 election, and another two days for the Montreal investment firm of Gordon Capital Corp. Chrétien said that he is also looking forward to spending more time with his wife and their three children, France, Hubert and Michel, and their grandchildren. "The family is very important to him," said a Chrétien confidant. "Alice is by far the person else-

poised support while he publicly criticized the Trudeau government—and then became minister Jean Chrétien. Now, Chrétien works for a Toronto law firm and is in a position to re-emerge in challenges—either during the Liberal party's mandatory leadership review next November or if Mulroney's Tories are returned to office with another large majority in the next federal election. Chatting with reporters in Stornoway, he refused to rule out an eventual return to politics. "I cannot say that," he declared. "But I hope it will be new." Then, he added, "I have no plans for coming back now, you know, there is an old proverb: never say, 'Fountain, I shall not drink of thy water.'"

—MARK NEWMAN WITH HELLY MACHENZI AND KEN MACQUEEN IN OTTAWA, BRUCE WALLACE IN MONTREAL City and correspondent reports

Maclean's: Is there a and day for now?

Chrétien: It is a sad day and a happy day. You know, the decision to retire is something that grows on you and suddenly you have the opening to make it and you make it. I am very pleased that I made the decision to go.

Maclean's: In three to much politics in your blood for you to leave if you want?

Chrétien: Everybody felt that politics was too much in my blood and that I would never quit.

A lot of people always look me for great ideas, somewhat because of that. I love politics, it's a great occupation, a great profession, a great service. But on the other hand, there are other things in life, and I always said that. **Maclean's:** This year resignation once took to your chest and supporters?

Chrétien: No, they expected it somehow. Some felt they never do it. I was saying to me, "Are you sure, are you comfortable with it?" And I said yes. But I did not consult them. I had a lot of people calling me telling me not to go. No one called to tell me to go. In fact, most of my aides did not believe me. **Maclean's:** What regrets do you have with?

Chrétien: I don't have any regrets. I have done my best. I really gave the best that I could. There are a few things that I would have done differently, of course, but I am very pleased with the reaction of the



Chrétien at 1984 leadership convention: "I don't have any regrets. I have done my best."

Maclean's: What would you have done differently?

Chrétien: Met many things. I might not have run in 1984. I might have stepped earlier. Sometimes I felt that I should have kept my word to my family that I would stay in politics for 10 years. It's been 25 years in I extended my word a little bit too much. But my family has been great on that score. Even this morning my wife was telling me, "Jean, I don't want you to leave because of me."

For 27 years we drove from Ottawa to Stornoway every weekend with the kids, with the dog, leaving on Friday afternoon to come here, arriving my old, straining, going back on Sunday night. I had to slow down five years ago for health reasons. It was a tough life for them, but my daughter and my sons always agreed with that without ever complaining.

Maclean's: How do you want to be remembered?

of national politics. Nobody will ever remember that, but I know I have done it. This is very close to my heart. I was happy to be the first French-Canadian minister of Finance. So I have a lot of things to remember that are great.

Maclean's: As you know, do you think politicians are overrated?

Chrétien: It is cruel. It is tough. You need have a very thick skin. But I always took it to be able to really be kind, especially lately, because whenever I opened my mouth I was resulting too much controversy. That has always made me uncomfortable. Trudeau knew that and he was extremely generous to me. On the Constitution he let me go. A few times he called me and said, "Jean, you are giving a bit too far." But I had a lot of freedom with Trudeau and now I had lost my freedom. And that is why I said I wanted to let it go. I said the time has come—let's do it. And I did it.

AN INSTINCTIVE POLITICIAN

COVER

The press wants to get you. The opposition wants to get you. Even some of the bureaucrats want to get you. The art of politics is learning to smile with your back to the wall, your elbow high and a smile on your face. If you don't learn that, you're quickly finished. You just have to take it and give it back.

Jean Chretien, from his 1985 autobiography, *Straight From The Heart*

For more than 25 years, from his days as leader of the struggling Liberal University Liberal Club to his two-month term as deputy prime minister under John Turner in 1984 to his decision to leave politics last week, Joseph-Jacques Jean Chretien never stepped taking it—and giving it back. Some politicians feel a calling to public service. Others are attracted by the lure of power and privilege. Chretien did it instinctively—and for love. He revelled in it, relishing the cut and thrust of politics, whether he was harrying across protest lines during eight victorious election campaigns or the subjects of his native Shawinigan or dealing with adversaries in tense negotiations over federal budgets, or private and the passion of the Constitution.

Public: These were only a few of the critical national issues that Chretien, 49, has 16 years as a Liberal cabinet minister under Lester Pearson, Pierre Trudeau and Turner, helped frame. With his legendary modesty—the result of a paralytic virus during childhood—his unassuming, his simple suit, his simple shoes and his simple self-appeal, he emerged from rank obscurity to stand at the very centre of the nation's political life, holding every major portfolio, finance—the first francophone to hold that post—justice, treasury, health, energy and international affairs. Yet, in a profession so often measured by the fickle calculus of the latest

opinion poll, Chretien was that rare anomaly—a politician of enduring popularity, not only in Quebec, but across the country. As John Turner himself once remarked about the man he defeated for the Liberal leadership in June, 1984, Chretien was "a privileged place in the hearts of Canadians. More so in more people."

In a sense, Chretien was born to politics and the family lineage was pure Liberal. His father, Wilfrid, a Shawinigan paper mill machinist, was an active Liberal organizer in the great southwest of Quebec City. His paternal grandfather, Françoise, was also a Liberal militant—and for 30 years served as mayor of the small Quebec village of St-Rémi-de-Gatineau, 15 km from Shawinigan. Before he turned 15, Chretien himself had been recruited to the Liberal fold, handing out pamphlets during election campaigns and setting up claims at meetings. Later, he remembers dropping by the pool hall next door to the family row house in Le Bel, a Shawinigan suburb, to exchange political opinion with supporters of Quebec's Union Nationale premier, Maurice Duplessis. And once, during his years as a student at Séminaire St. Joseph in Trois-Rivières, Chretien ran into Duplessis himself.

"Chretien," the premier and local M.L.A. said, "from Shawinigan? Your father is Wilfrid Chretien? And your grandfather was Françoise Chretien?"

"Yes," then, "believe, Duplessis, 'you're a God damn rouge (Liberal)!'"

At 20, on route to a law degree at Laval University, Chretien had already decided to make a career in politics, just as his father had wished. "I knew that was the best way to get ahead in St. Maurice riding—to be a lawyer, a man who can deal with all the problems of all of the people." Even then, the patterns that would mark his years in Ottawa—the restless energy, the populism, the unshakable patriotism and

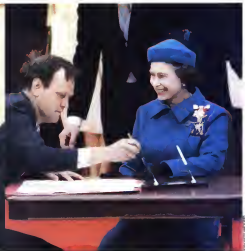
his free form displays of political exuberance—were evident. When he married Alice Chouin, his childhood sweetheart, in 1967, the ceremony was held on a Tuesday because, Chretien later disclosed, "I had the chance to work all weekend at double time."

Electoral: In 1959 Chretien opened a law firm in Shawinigan with three friends. But when invited to run for Lester Pearson's Liberals in the 1963 federal election, he did not hesitate to jettison his \$30,000-a-year income for the chance to become a junior backbencher at \$10,000. His friends advised against it, noting that the Social Credit incumbents had won the previous election by more than 9,000 votes. Characteristically, Chretien acted for emotion over reason—and won by 1,944 votes. At 26, leading in the unknown territory of the anglophone capital, Chretien knew how to order bacon and eggs in the English language—but not much more.

In fact, shortly after he arrived in Ottawa, several anglophone MPs at a party asked Chretien to explain how he had managed to win in St-Maurice. With his trademarked stream of the wrong syllables, the young politician recounted: "I went to all the co-ops and shopped hands with everybody. When the work was finished, the men and women ran by as fast I did not have the time to move hand so I just took them on the lawn (hand). The Mrs. ran with laughter, she said you 'So that how you won the election, you damn Frenchman!'"

Dutiful: But Chretien learned quickly. An parliamentary secretary to Pearson and later to Finance Minister Michael Sharp, a minister called him minister, Chretien mastered the traditions of Parliament and learned the nuances of the union bureaucracy that runs the government. In 1968, after negotiating backlogs with opposition figures, Chretien managed the rare feat of announcing a private member's bill, the *Human Rights of Consciousness*. The legislation changed the name of Trans-Canada Airlines to Air Canada.

Preparing for his later years as Treasury Board chief and finance minister,



With the Queen during Constitution-signing ceremony in 1982. Hardball politics and skill

Chretien watched Sharp deal intelligently with some of the best brains in the civil service. One day, after a lengthy discussion of tariff rates and balance of payments, Sharp approached him. "Jean," he said, "what you heard today is very secret. You must not say a word to anybody about it." Replied Chretien, "Don't be worried, Mitchell. I don't understand a bloody thing!"

Debate: But many senior Liberals recognized Chretien's formidable potential. In 1967 Pearson named him minister without portfolio, the beginning of a steady, achievement-studded climb up the cabinet hierarchy. As minister of Indian Affairs (1968-1974), Chretien learned how to make a virtue out of hubbub. Circumventing the country's policy to restore groups, he was respectfully admonished by Indian leaders for breaking treaty agreements. The criticism was giving the minister and the Trudeau government a negative profile. To counter it, Chretien asked to

speak first at meetings, then invited the Indians to "back it to me. Speak your mind. Tell me that we stole your land." The tactic helped defuse the growing public relations problem.

Throughout, what Chretien seemed most was "making decisions." Unlike Trudeau and the brilliant francophone intellects who surrounded him, the pilot gave was always more comfortable doing than planning. By the Prime Minister's standards, Chretien's methods were often ham-fisted, if not downright gauche. "I play politics like I play cards," Chretien once said. "Fun, with no style." But for the most part, Trudeau allowed him free rein. "On my experience," Chretien later

wrote, "I was happy to have a minister who ran a good shop and didn't create any problems." At the same time, Chretien was chronically ill-served when criticised, and some senior officials charged that he was an overly lax administrator of departmental affairs.

Victory: His major challenge came in 1980, when the Liberals were returned to power after nine months of Conservative rule in short order. Justice Minister Chretien was given the assignment of directing the federal government's campaign against the Quebec referendum on independence. That victory had no sooner been won in May than Trudeau ordered Chretien to begin negotiating with the provinces to patriate the Constitution from Britain. His new agreement collapsed in the fall of 1980, when consensus on an amending formula could not be reached. But the indefatigable Chretien kept plugging away and a year later, working with Ontario's Roy McMurtry and Saskatchewan's Roy Romanow, he found a solution that every provincial premier except Quebec's René Lévesque finally accepted, thus ending the Trudeau govern-

It may have been the Trudeau govern-

When Trudeau decided on Feb. 28, 1984, to step down, there was never any doubt that Chretien—against the odds and the party's tradition of alternating anglophone and francophone leaders—would attempt to succeed him. He came within 500 votes of defeating Turner. "Every politician must learn to accept the verdict of the people," he said later. "If you cannot take it, you don't belong in the game." Last week, less than 20 months after his defeat, a proud Jean Chretien finally accepted that verdict—and its consequences.

Sharp: quiet leader



—MICHAEL POONER with contemporaneous reports

Trudeau: free man





Garnica's deliberate and meticulous approach to the art of politics

the Liberal revival in his home province. "When it is time to talk about a readiness to commit for the next election, then Turner will have to appoint someone," Garnica told Maclean's last week after the Christian resurgence. "He knows he can count on me."

Garnica speaks enthusiastically of political strategy aimed at a Liberal return to power in Ottawa. "My ambition is to win the next election, and for that we need a good electoral platform, good organization and we need people." With his wide network of contacts, Garnica has already started to bring in new recruits for the party. He says a new Liberal platform will emerge in early 1986. "We put a message in 1984 that we can't run with the same sort as we had on Sept. 4, 1984. The people will recognize us and kick us out a second time."

Brilliant: Garnica's own personal style is in marked contrast to that of the colorful Christian. Where Christian developed passions, Garnica is deliberate and meticulous. Notably a dispassionate performer in the rough-and-tumble of parliamentary debate, he has built a reputation as an effective, if dry, finance critic. Some Turner loyalists see Garnica as an asset to the party as it tries to update its image and meet the changing mood of Quebec. As a former chairman of the Montreal City and District Savings Bank and Quebec finance minister from 1970 to 1978, Garnica is familiar with Quebec's current preoccupation with economic matters. Solid associate Liberal finance critic Alden Nicholson. "He walks with bank presidents but has a very good sense of what the person on Main Street will think."

Born to a farming family in the small Quebec town of Plamondon, 100 km northeast of Montreal, Garnica was a brilliant student who won degrees in commerce (Laval) and economics (McGill). The Liberal party soon recognized his talent. In 1980 he became an assistant in the office of Liberal premier Jean Lesage. In 1970 he was elected to the Quebec national assembly and, at the age of 30, he was named Quebec finance minister. His rapid rise earned him the title "Le Dauphin" (the crown prince)—the man certain to replace then-Liberal leader Bourassa, who resigned after the Parti Québécois election victory in 1975.

Now, Garnica is careful not to betray any yearning for the role of lieutenant. "My role is to help us to defeat the Tories and be part of the team in Ottawa," he says. That role of assistant has been reinforced by the experience of Christian—a sobering example, perhaps, of the dangers of overt ambition.

—HELEN MACKENZIE in Ottawa

AN ASCENDING NEW LIBERAL STAR

COVER

For Liberal finance critic Raymond Garnica, the resignation of Jean Christian last week stirred unhappy memories—and perhaps a sense of anticipation. In 1978, Garnica suffered an ordeal remarkably similar to that of his Liberal colleague after losing the leadership of the Quebec Liberals to newspaper publisher Claude Ryan. Like Christian, Garnica was a public politician and a party man who found himself shunted aside by the Liberal establishment. Elected the 51-year-old political veteran. "People kept telling me I should have been elected leader of the party. I couldn't think why I had been defeated." Within eight months of his defeat, after nine years as a member of the Quebec national assembly, Garnica resigned as the next for Jean-Talbot. And many thought he had left politics for good.

But now, in Parliament as the member for Montreal-Laval-des-Rapides, Garnica stands poised to become a

new star in the national Liberal firmament. Already chairman of the Quebec Liberal caucus, he is considered one of the most influential and articulate members of the opposition. With Christian gone, party leaders say he is a good bet to become Liberal leader. John Turner's most prominent Quebec supporter, Michel Vardi, political reporter for Montreal's *La Presse*, six days before Christian's departure. "Raymond Garnica has emerged as the strong man of Quebec."

Reputation: However, Liberal party organizer James Robb, a Montreal lawyer, cautioned that it is "probably a little too early" to describe Garnica as an undisputed leader of the Quebec federal Liberals. Robb adds: "He may become that, but you must choose things rather than get appointed." For his part, Garnica modestly dismisses the idea of becoming Turner's Quebec lieutenant. He said that Turner is intent on playing that key role himself. But he promises and cautions Quebecers say he does expect to become a leader in

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Douglas (in R) with CCF founders at a 1933 strategy meeting: idealism and a gift for witty oratory

The Douglas legacy

It was the autumn of 1935 and Thomas Clement Douglas, better known as just plain Tommy, was delivering a tub-thumping political speech to an audience at Weyburn, Sask. Suddenly, a gang of rowdy thugs approached the stage. Douglas, only five foot six inches tall and 140 lb.—but a former lightweight boxing champion of Manitoba—quickly grabbed a water jug, smashed it and swung the broken shards. “If you come up here,” said Douglas, “you are going to be hurt.” With that, Douglas won the day, a prelude to his first election to Parliament and a political career that spanned almost half a century. When Douglas died last Monday at 85 in his Ottawa home following a five-year bout with cancer, the resourceful Douglas had earned as secured place in Canadian history.

The head of North America’s first social democratic government, Douglas was premier of Saskatchewan for 17 years, the founding leader of the New Democratic Party and the father of Medicare. Last week friends and former foes eulogized the former Regina minister in the House of Commons. Douglas, said Prime Minister Brian Mulroney, was one of Canada’s “greatest humanitarians and truly great politicians.” Douglas might have been awarded to bear the prize of the century’s most powerful citizens. “There is nothing the upper classes are so afraid of,” he once remarked, “as a dead radical.”

The roots of Douglas’s radicalism lay

in his native Scotland, where as a youngster he turned to his father, Thomas Douglas, an iron worker, not against the class system, and where he loved the fiery oratory of British socialism. In Winnipeg, where the family settled after the First World War, Tommy Douglas watched resentful policemen attack workers in the 1920 general strike. When he almost lost a leg to bone disease because his family couldn’t afford a specialist, the need for universal medicine first took shape in his mind.

In 1933, after three years of preaching to depression-struck Saskatchewan farmers, Douglas signed the Regina Manifesto—the charter document of an alliance of farmers, workers and socialists that formed the Co-operative Commonwealth Federation. Then, armed with nothing more than idealism and a gift for witty oratory, the bespectacled little man with the toothy smile sought a seat in the Saskatchewan legislature in 1934. Douglas lost, but in 1935 he won a seat in Parliament and spent the next nine years in Ottawa. Tommy returned to Saskatchewan in 1944 with his wife, Irene, and their two daughters, when he led the CCF to victory in a provincial election. Once in office, the CCF passed legislation

that protected farmers from debt foreclosures, produced the country’s first Bill of Rights, gave public servants the right to collective bargaining and set the country on the way to public medical care insurance.

The Medicare program did not come into force in Saskatchewan until 1962, a year after the creation of the New Democratic Party, the successor to the CCF, had returned Douglas to Ottawa as national leader. But the Medicare battle cost Douglas a seat in Regina when doctors launched a massive campaign against him during the 1962 federal election. Although

he was a hero in British Columbia the same year, friends said Douglas never fully recovered from the setback.

As NDP leader, he influenced voters and opposing politicians to accept the idea of government as a humanitarian entity that should look after the elderly, the sick and other disadvantaged citizens. But he failed to make the NDP a truly national party with strong ties to Quebec and the Maritimes. In Douglas’s last years as leader, there was sporadic dissent about his style—a homely mix of cowboy jokes, Bible passages and soapbox oratory. Said Margaret Stewart, a former Ontario secretary of the party: “The press was hard on Tommy, but some of it was justified. He was an old-fashioned Saskatchewan socialist.” After succeeding the NDP leader in 1971 to David Lewis, Douglas served as an MP until 1979. In 1984 Mulroney awarded him a singular honor: appointment to the Queen’s Privy Council.

While he never realized his dream of forming a socialist government in Ottawa, Douglas once summed up his own achievements. Said Douglas, “I look back and think that a boy from a poor home

as the young son of the blacks in Winnipeg was given the privilege of being part of a movement that has changed Canada.”

—PAUL GREENGLASS in Ottawa

Douglas in 1976



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Murder in Stockholm

The slight, middle-aged prime minister left the Grand Theatre after seeing the new Swedish film comedy *The Brothers Mörner* with his wife late last Friday and they began walking home along Sönningsgatan St. in central Stockholm. Fifteen minutes later, at the intersection of Sönningsgatan and Tennishuset, between a point store and subway station entrance, a short man of about 35 wearing a long dark-blue overcoat and a hat with earflaps approached the couple from behind. He fired one shot, was striking Olaf Palme in the back, the other striking his wife, Lisbeth. As she watched her husband fall in the snow she called to taxi driver Anders Ek. Ek, who was driving, turned around the brightly lit area. "Yes, Mr. Palme," he cried as 37-year-old housewife Anna Blom managed her husband's hand. "My husband, Olaf, has been shot."

Ek drove on home later, as his wife and two of their three sons stood near an operating table in the city's Söbabsbarn Hospital. Prime Minister Olaf Palme, a leader who had become internationally renowned for his efforts to reduce violence and injustice in the world, died.

Palme's assistants escaped down an alleyway and disappeared. Police swiftly began a massive but likely futile investigation of the murder, the first killing of a Swedish head of state since King Gustav IV was killed at a coastal ball in 1790. And the peaceful Swedishman, notice that Palme led for nearly 11 years, was left shocked and in deep mourning. Said Deputy Minister Ingvar Carlsson, who automatically assumed control of Palme's Social Democratic government. "A person who more than anybody else has fought violence as a struggle for peace has been murdered. His death



Palme and wife, Lisbeth, the murder scene in central Stockholm morning a disaster

leaves a great emptiness."

Before dawn last Saturday grieving Swedes began gathering by the roped-off stretch of sidewalk where the attack occurred, still marked by a large patch of Palme's blood. They left behind a great emptiness.

The Swedish leader did not have bodyguards with him when he was murdered, although he had become a centre of controversy recently. He had introduced a tough measure doubling taxes on transactions in Stockholm's stock market—an action that had

angered many Swedes. Parliament passed the legislation only 24 hours before the attack. Shortly after Palme died, a man speaking English with a foreign accent telephoned a news agency in London and, saying that he represented the Holger Meisner Commando, claimed responsibility for the assassination.

The terrorist group had also claimed responsibility for a 1975 attack on the West German Embassy in Stockholm that left three people dead. Said the caller: "You can check the history book for why this was carried out."

On the weekend, police had only a spent cartridge recovered from the street and Lisbeth Palme's remark that she had seen the assailant before—although she could not

identify him further—as evidence. Still, they closed off roads and ferry services and increased security at airports. Ordinary Swedes joined in a memorial service Saturday night in the capital's Stortorget Square. Elsewhere, bells tolled and flags flew at half-staff. A long line began forming at the Riksdag, the Swedish parliament, to sign a commemorative book in the fallen leader's honor.



World statesmen also began to express their sadness at the loss of the Swedish prime minister. Neighboring Norway's Prime Minister Kåre Willoch said, "Such a shocking act will cast dark shadows for a long time." In France, Prime Minister Laurent Fabius sent a telegram to Palme's widow

four-day visit to Canada in 1974 and that Palme "worked to make society ever more just." And although Palme had been an implacable opponent of U.S. involvement in Vietnam and an outspoken foe of the Reagan administration's policies in Central America, the leaders of the two nations in the face of this sudden act of violence in profound. Olaf Palme was one of the world's most respected leaders, a man who made responsible the hallmark of Swedish policy."

To mourn the Soviet Communist Party observed a minute of silence in honor of Palme before opening deliberations at its 25th Congress. And West German President Dittmar Gropius ordered three days of national mourning and, in a letter to the Swedish government, said that Palme was "one of the greatest leaders in this century."

The tributes from within Sweden and abroad were far a physically unimposing man with the appearance of a Nordic genius and a high-pitched voice. Born on Jan. 30, 1927, the youngest of three children in an upper-class family, he was an antitrust lawyer and a political leader in his youth.

Palme's death, the 19th assassination of a political leader in six years, others include Indira Gandhi, Anwar Sadat and Domingo Argandoña—may have been politically inspired, according to Stockholm Police Commissioner Hans Holmner. But he added, "We have no idea who did it. The assassin's name is not known at the moment." Police had conducted a search, carrying a map of the assassination site in his pocket when searched, but they released both of them.

Palme himself was clearly aware that he could be a target for an assassin, although he recently told reporters he was proud that he could walk alone through Stockholm. The city has a negligible crime rate, and possession of firearms is closely supervised by the police.

There was apparently no threat, issued before last weekend's killing. And the fatal bullet not only killed a country's leader but, according to the assumption on Swedish state-controlled television who broadcast the news of Palme's death early on Saturday, it "also killed our long period of political innocence."

—DAVID BARTAL, in Stockholm with newspaper reporters

Carlsson in charge



With Canada's Pierre Trudeau on the world stage





Aquino; Filipinos at Malacañang Palace after Marcos's departure: dismantling a 20-year-old power structure

THE PHILIPPINES

'A new life starts for our country'

The frail man in the floppy hat and beige windbreaker who disembarked from the C-130 transport plane at Manila's Hickam Air Force Base looked more like a tourist than the former president of the Philippines. After U.S. Air Force officials helped him down the steps, 68-year-old Ferdinand Marcos stepped tentatively onto 50 feet of red carpet. Then Aquino, wife of Hawaii's Governor George Ariyoshi, presented him with a lei—the traditional necklace of flowers with which Hawaiians welcome visitors. With that, the man who for 20 years ruled the Philippines with an iron hand began his life in exile.

In Manila, jubilant Filipinos filled the streets in celebration, and camps of foreign governments formally recognized Marcos's opponent, Corason (Cory) Aquino, as the new president. Declared Aquino: "The long journey is over. A new life starts for our country." Still, the end of the Marcos era on Feb. 25 took place faster than many Filipinos had expected. In the weeks after the disputed Feb. 7 presidential election—which most observers say Marcos won only by the use of massive fraud—the president clung to power while Aquino claimed that he had been cheated of victory. Even in the face of worldwide pressure he



Aquino; Filipinos at Malacañang Palace after Marcos's departure: dismantling a 20-year-old power structure

seemed determined to stay on.

But the stalemate was broken by the Feb. 25 election of Li-Uan Pido Basco, deputy chief of staff of the armed forces, and Defense Minister Juan Ponce Enrile. As the rebellion grew, hundreds of thousands of Filipinos formed a human wall around Camp Crame in Manila where the rebels established their base, and burned back tanks manned by Marcos loyalists. Said one Aquino supporter: "This is a real demonstration of people power."

Still, Marcos repeatedly appeared on television to insist that he was in control—appropriating air time on a privately owned TV station after rebels seized the government-controlled broadcast system. Marcos clung to power even after his former ally, the U.S. government, called on him to resign and when Aquino on Feb. 25 had sworn in as head of a provisional government by Associate Supreme Court Justice Claudio Teehanee. As hour later, Marcos held his own inauguration ceremony at Malacañang Palace—but the TV broadcast was cut off when opposition soldiers cut the lines. Free Filipinos heard him say, "My resignation is irrevocable." As his power slipped away, Marcos made a series of frantic phone calls to U.S. officials, including Republican

Senator Paul Laxalt, a friend of President Ronald Reagan's, in an attempt to salvage something—even the title of honorary president. Laxalt, who said he advised Marcos to "cut and cut cleanly," added later, "He was clutching to it." But shortly after 9 p.m. on Feb. 25, accompanied by about 30 people—including his family and the widely despised General Fabian Ver, former head of the armed forces—he left, first by U.S. Air Force helicopter to the American's Clark Air Force Base near Manila, then on to Guam and finally Hawaii.

He left behind signs of a busy domestic: dishes of half-eaten omelet and toast, and dozens full of clothes and shoes belonging to his wife, Imelda. In his bedroom, a hospital bed and oxygen tanks gave substance to rumors about Marcos's ill health. The claim that Marcos is seriously ill with a rare liver disease first became widespread in the turmoil following the 1983 assassination of Aquino's husband, opposition leader Benigno Aquino. And on one wall of the abandoned palace, a painting of a young, muscular Marcos testified to the myth of his invincibility which many Filipinos had accepted for two decades.

After Marcos's flight—preserved with the U.S. government—crowds

members of her cabinet and releasing 33 of some 500 political prisoners jailed during the Marcos regime. But as early as last Wednesday the 50-year-old widow seemed to sense that popular uprisings could quickly turn to frustration. She declared: "I would like the Filipino people to just be a little patient. It was just last night that Marcos left and so many urgent problems have to be taken care of."

Among those problems are a staggering economy and a \$26-billion U.S. foreign debt. As well, the country is severely short of capital, largely as a result of nervous Filipinos transferring about \$9 billion (U.S.) out of the country in recent years. But potential conflicts within Aquino's cabinet may also prove to be explosive. Vice-president Salvador Laurel, for one, also named to the posts of prime minister and foreign minister, is a powerful opposition leader. Enrile, Aquino's new defense minister, had held the same office for three decades, and some military brass felt that under the new military law his post power. Both men have in the past said openly that they have presidential aspirations. Indeed, one Washington diplomat said that he doubted whether Aquino would stay in power "for any long time."

Meanwhile, the new president will have to achieve a reconciliation with hardcore Marcos supporters. For one thing, under the country's constitution the Philippine National Assembly—two-thirds controlled by Marcos's New Society Movement—has to proclaim her the president. At week's end it was not clear whether Aquino would choose to deal with the assembly, which had already named Marcos as the winner on Feb. 15, or proclaim a revolutionary government. And rumors that let him loyal to Marcos were sticking members of Aquino's

lost the palace and destroyed portraits of the former president. But Aquino appeared for radio, and by week's end Filipinos peacefully strolled through the grounds of the palace—where soldiers found several land mines, as well as 11 body traps inside the white-domed building. Aquino also said that she will maintain an office in Malacañang—but not live there. She added, "I intend to lead by example, and I don't think it fitting for the leader of an impoverished nation to live in extravagance."

It was a sound political posture in a country with an average per capita income of only \$1,100 a year. Aquino followed it by appointing the first 17

cabinet gained credibility last week when officials said that they had arrested nine people for allegedly plotting to assassinate Enrile.

As well, Aquino is faced with the country's volatile Communist party and its 35,000-strong New People's Army (NPA). Although she said during her campaign that she would legalize the party, last week she indicated only that she would be willing to offer an amnesty to any insurgents who lay down their arms. And an NPA spokesman said last week that the struggle would continue despite Aquino's claim that her victory has severely undermined Communist support. Said the official, known as Ka Jope: "The problems that existed under the U.S.-Marcos dictatorship are still there."

Indeed, spokesmen for both the new government and the Reagan administration have insisted that the two countries will continue to co-operate. Aquino pledged to honor the Philippine's reputation as a defender of the military against the largest warship of the United States—until it expires in 1991. Then, she said, she will keep her "options open." Possibly in an effort to influence that choice, Reagan went last week to work to "meet the needs of the Filipino people." And U.S. congressional leaders said that aid to the Philippines may be increased from the current \$340 million (U.S.) a year.

Reagan also pressed Marcos's "corrupt and dictatorial" to step down, and White House spokesman Larry Speakes said that the president was in line with his duties for his future. Some of these desires may well be denied by the new Philippine government and a growing number of U.S. congressmen. Alleging that much of Marcos's wealth—which may now be more than \$1 billion—had been accumulated illegally, they are demanding the expropriation of some of his holdings.

In fact, Democratic Representative Stephen Solarz, chairman of the House Foreign Affairs Subcommittee on Asia, said last week that he will introduce special legislation to enable the Philippine government to initiate claims against Marcos's U.S. holdings. Solarz told Maclean's: "We are talking about massive amounts of money here. These resources were swindled and stolen from the Filipino people." Indeed, as the new government in Manila begins to dismantle the Marcos legacy, the fading years of the former Filipino strong man may well be marked by a loss of wealth—as well as power.

FEETED NOVEMBER with LIN NEUMANN in Manila and DAN WISTEN and WILLIAM LOTTIER in Washington



Marcos arriving in Hawaii after ousting of 20 years, a flight into exile

The people's triumphant crusade

The triumph of so-called "people power" over the 20-year-old regime of President Ferdinand Marcos arose primarily from the determination of once passive Filipinos to reclaim their land and their rights. *Madden's Associate Editor Marcus Gee, who covered last month's presidential election in the Philippines, explored the courage and spirit of the ordinary men and women who enabled the revolution against tyranny. His report:*



Demonstration in Manila last week; protesting soldiers (below) saying no to abuse with a contagious courage

When he spoke about his dreams of mobilizing Filipinos against the regime of Ferdinand Marcos, Benigno Aquino used to argue that his countrymen were in part responsible for their own oppression. Wrote Aquino, in a 1975 letter from prison, where he was held for eight years: "I believe the cause delaying our liberation may be found in ourselves—in our reluctance to assert our rights and resist the forces of evil. We have forced our own chains with our cowardice."

Aquino held out hope that attitudes would change. He said that courage, the fear, was contagious. But it took his own death from an assassin's bullet on Aug. 21, 1983, to arouse the public bravery that he sought. In the tragicomic weeks that followed the opposition leader's slaying at Manila International Airport, an act

widely blamed on Marcos, a wave of outrage and rebellion swept the country. It grew so virulent until it finally broke over the Asian archipelago last week. Jaime Cardinal Sin, the outspoken archbishop of Manila, was one of the first to understand the impact of the Aquino assassination. "This is the beginning," he said. "New people will open their eyes."

The resurgence of the Filipino peo-

ple stood up to Marcos, they gradually began to align with Marcos allies wearing Yuletide beards. Aquino's motto "Filipinos are worth dying for."

The new spirit of courage took swiftly. During last month's presidential election a citizen's group, the National Citizens' Movement for Free Elections, was able to marshal half a million volunteers to guard the ballot boxes. Priests, nurses, tradesmen, office

workers and housewives joined forces to prevent cheating, often fighting off attacks on polling stations by armed "goons" of Marcos's party. Said Mag-Nao Marikina, pastor of Manila's St. Albino's de la Guzman Church: "The Filipino is different now than he was 10 or 15 years ago. Before, we were fearful, we were passive, we were apathetic. But now the majority of Filipinos has stood up. The new Filipino has emerged."

One of these new Filipinos was Rodrigo Ponce, a farmer with a Grade 5 education who lived near the tiny village of Baling, 300 km south of Manila. The 39-year-old Ponce—a stout man of big, bawling heart—lost a crop of rice out of a 9-acre plot leased from a local landlord—land not previously been utilized in politics. But when Marcos called the presidential election last December, organizers of the local chapter of NAMFREL asked him to serve as a poll-watcher and he agreed.

On election day, Feb. 7, voting went smoothly at Ponce's polling station until 30 minutes after balloting ceased at 9 p.m. As the poll chairmen counted the ballots in polling precinct No. 9—a schoolroom hung with a portrait of Mar-

cos had been remarkable. Since Marcos declared martial law in 1972, beginning a period of iron-willed rule that lasted nearly 10 years, many Filipinos simply ignored his playing, abuse of power, which included corruption, arbitrary imprisonment and the murder of opposition supporters. But with the death of Benigno (Ninoy) Aquino, the husband of Corason Aquino and the man who



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one, three men and a young woman entered. Witnesses said that two of the men carried Ponce. The woman ordered the chairman to give her the ballots, adding, "This election is stolen." As she left, the woman looked up and saw Ponce standing by the door. "Ponce, why are you doing this?" Ponce asked her, but she did not reply. The two gunmen told Ponce to lie face down on the concrete step outside the schoolroom. One of them pumped three shots from a .45-calibre handgun into Ponce's head and four into his back, then ran.

A week after his death, only a small spot of purple bruising (then marked the spot where Ponce died. His family—with Rosa, 54, three children and father Roldán, 67—were only dimly aware that around the country Ponce was being hailed as a hero's hero. Manuel Ponce, 24, the victim's half-brother, who was standing only a few feet away when the shooting took place, told me he believed his brother died because he recognized the woman. But, he added, "he was not afraid. There was no fear in his eyes."

Down the main street, rattled mud in the neighbouring town of Manzanillo, local military commander Lt. Antonio Lumberto read the Communist New People's Army, which boycotted the election, was in blame for Ponce's death. But parish priest Mgr. Domingo Tenealo told Marcos guests staged the attack because because because was an opposition stronghold. And in the provincial capital of Rosas, Bishop Vicente Navarra said that 50,000 pesos (\$4,000 Canadian) in donations have poured in for Ponce's family. "This tragedy has inspired the people," added Navarra. "It shows that we maintain a stand up and say 'no' to injustice—even if it costs our lives."

Ponce was just one of at least 30 killed during the election and its aftermath—but his death helped inspire the thousands of other Filipinos who challenged the Marcos administration and brought it down. And as the jubilation began to subside last week Ponce and the other victims were remembered in prayers and speeches in Manila. In one of the week's most moving moments, a huge crowd sang the opposition anthem *Nagay Ka—My Country*—outside the Malacañang Palace after Marcos's flight. Generations of colonial rule—300 years under Spain, almost 50 more under the United States and nearly two decades of repression by Marcos—had torn Filipinos and repression in the Philippines. But the words of *Nagay Ka* speak of struggle and strength, courage and freedom.

*Even birds who fly free
When caged will struggle to escape...
The Philippines, my beloved land
My home of dreams and tears
Always I address to see you truly free*



Filipinos in Toronto celebrate, celebrating events that a world away

Looking homeward

The dramatic collapse of the Ferdinand Marcos regime occurred half a world away, but for Tanan Roldán in Toronto the fall of the Philippines strong man was an event close to his heart. It meant that Roldán could return to his native country after a self-imposed, 15-year exile. The 36-year-old Filipino-Canadian, a lawyer who works as an insurance broker, lives in a comfortable suburban condominium in Willowdale with his wife, Mila, and two children, ages 15 and 21. But when he fled in 1974 he left behind a career politician and a position as a municipal judge. Now, he is planning a summer visit to the Philippines. Roldán. "Most Filipinos are here to evade the Marcos regime. The Aquino government means the restoration of the rule of law instead of the rule of one man."

Across Canada last week other Filipino expatriates celebrated the installation of the new government of Corason Aquino in Manila. In Toronto, where about half of the 100,000 Filipinos in Canada live, 350 people sang and a few sang at a downtown gathering in the Philippine Consulate and in Montreal, Vancouver and Winnipeg. Filipinos gathered for prayer services and demonstrations for the release of political prisoners back home. The events of the past week also awakened a new sensitivity to political interests in the formerly silent Philippine community, and a desire to help reconstruct their troubled country.

Meanwhile in Toronto, bookings on Philippine Airlines flights to Manila rose by 30 per cent, three days after Marcos fled to Hawaii. A small percentage of these reservations are for one-way tickets. But one Filipino immigrant who is unlikely to return is retired typewriter Dewey Des. The 43-year-old Des fled the Philippines in 1981 to avoid charges of fraud, moved to Vancouver and received refugee status there on February 6. Des, allegedly a Marcos confidant who created personal funds for the deposed leader around the world, claimed that he could not return because Marcos wanted to silence him. Des, now, said, Rodina Martinez, the Philippines consul in Vancouver, Des would still be welcome because he left behind debts on unpaid loans of \$50 million which triggered the near-collapse of many of the country's financial institutions. Said Martinez: "We have not forgotten about Des."

Other Filipinos in Canada are uncertain about returning because Aquino has appointed some former Marcos cabinet members to her government. But even if they remain, others, they have been inspired by the powerful accomplishments of their relatives at home. Said Carmencita Hernandez, spokesman of the Canadian Campaign for the United Opposition in the Philippines: "People are now proud to say that they are Filipino."

—ANN WALSHLEY with SEARCH
DOYLE ON EUGENIE in Toronto

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ROYAL BANK

A signal of growing discontent

It began with a rumor last Tuesday night. The Egyptian government, the story went, was about to extend the required service time for the Central Security Forces, a recently conscript militia that normally guards embassies and controls street demonstrations. In Giza, a Cairo suburb near the Great Pyramids, thousands of the militiamen suddenly rebelled out of their barracks and took to the streets themselves, smashing cars and attacking hotels. "They had bag sticks and stones and they destroyed the lobby," said Elie Gross, a West German resi-

dent caught in a hotel fire but escaped unhurt. It was Egypt's worst civil strife since Nasser died in 1970 over an increase in food prices. And it was the most severe challenge yet to Mubarak, who took office in 1981 after Nasser's death, assassinated Anwar Sadat.

Mubarak quickly called an emergency cabinet meeting and ordered an around-the-clock curfew for Giza and its suburbs—allowing it only for three hours to help the city's 14 million people to stock up on food and supplies. Residents jammed the streets while armored vehicles guarded inter-



Rebels in Cairo suburbs: Mubarak, ruling parastatist force, heralds more trouble

dents of Cairo who was visiting one of the hotels. Shouting ran for over a mile. Egyptian soldiers, apparently frustrated by many prices and a worsening economy, joined in the burning and looting. Regular army troops fought back, but still the rioting spread. South of Cairo, mobs stormed Sheikh Fawzi Prison, freeing many inmates.

By week's end, the fighting had subsided. The government announced that more than 2,000 militiamen and 700 civilians had been arrested, and Osama al-Baz, chief political adviser to President Hosni Mubarak, said the country was "very safe, secure and solid." Still, soldiers continued to fire at militiamen who were holding out at a camp near the pyramids and at other sites around the capital city. And authorities said that the spasm of violence had already left 36 people dead—most of them militiamen—and more than 300 injured. Officials at the Canadian Embassy in Cairo said one Canadian had been

wounded between the pyramids and the city center. In a television speech, Mubarak revealed that the first night's fighting had also spread to Assiut, 265 km south of Cairo, as well as to Sohag further south and to Ismailia on the Suez Canal. Said Mubarak: "This is a treacherous blow to the cause of this people struggling for its livelihood and its future."

But the militiamen may have viewed their own struggle in similar terms. Most of the father's 200,000 men are young and poor, earning the equivalent of less than \$6 a month for their service. Authorities insisted that rather than increasing the number of militiamen, a volunteer period from three years to four, as rumor had it, they were decreasing it.

by a month. Some officials said that the rumor about extended service may not have been the only cause of the violence. Information Minister Sawlat Sherif said many of the conscripts arrested were carrying exactly 50 Egyptian pounds—suggesting that someone paid them to riot.

But even if the violence turned out to be totally spontaneous, it clearly did not dampen resentments toward the Mubarak government. Widely viewed as steady and assuaging, the 52-year-old Mubarak has continued Sadat's policy of maintaining ties with Israel, leading to increased animosity

among Islamic fundamentalists. And Mubarak's image was badly tarnished by two incidents late last year. First, in October he agreed to release the hostages of the Achille Lauro cruise ship to the Palestinians. Liberation Organization, only to see the United States intercept the plane with the hijackers aboard. Then, in November, after gunmen commanded an Egyptian airliner to Mafra, Egyptian reinforcements stormed the plane with the hijackers aboard. Then, in November, after gunmen commanded an Egyptian airliner to Mafra, Egyptian reinforcements stormed the plane with the hijackers aboard. Then, in November, after gunmen commanded an Egyptian airliner to Mafra, Egyptian reinforcements stormed the plane with the hijackers aboard.

But Mubarak's most profound problem may well be social and economic. With its grimy Cairo slums and a population growth rate of 2.7 per cent—among the highest in the world—Egypt has a burgeoning and edgy lower class. To make matters worse, Mubarak estimates that the current slump in world oil prices could cost his country \$1 billion (Canadian) this year. The government had been hoping for a recovery in the vital tourist business, which had declined drastically after the two hijacking incidents in 1985. But last week's rioting may reinforce Egypt's image as a risky place to take a vacation. And for Mubarak, it seems to promise more trouble ahead.



—BOB LEVY with corrections desk reports



Meeting of Party Congress: attacks on inefficiency, corruption and Reagan

RUSSIA

Flagging major changes

Everywhere there were signs of a new mood in the land—tattered banners of red, yellow and blue in state department stores, new-bank sparkling under newly installed street-lighting, red flags unfurled along Moscow's wide avenues. And inside the glittering marble-and-glass Kremlin Palace of Congresses the Soviet Union's new leader, Mikhail Gorbachev, wore a well-cut navy suit and red-striped tie for his first appearance before a full Communist Party Congress since he assumed power last March. The sturdy general secretary of the party, far younger in 35 than any of his recent predecessors, finished his 3½-hour address stronger than he started, and he even covered his single laugh with an irreverent joke. After using his girth in the 200-page text, he smiled and said: "I apparently slipped a nation with the principal thoughts of Lenin."

But the central message in the speech was almost unwittingly serious. Gorbachev—widely heralded as the man who will lead a reformed Soviet Union into the 21st century—outlined the nation's weaknesses for the more than 5,000 delegates to the 19th Communist Party Congress, among them China's Proliferation of Arms, Canada's Communist Party Leader William Kashtan and a group of Polish Communists. He told the congress, the first since 1981, that life in the Soviet Union had been marked by "inertness and stiffness of the forms and methods

of administration, the decline of dynamism in our work and an escalation of bureaucracy."

He also made a veiled attack on the 18-year rule of Brezhnev—30 years to the day after Nikita Khrushchev visited Joseph Stalin at another congress



Gorbachev: attacking new incentives for and problems

Gorbachev said that the country's leadership had "fallen behind the demands of the time and life itself." Gorbachev's 10,000-word address rang with the need for a major domestic overhaul. He said he intends to increase labor productivity more than twofold and nearly double the national income by the end of the century. Said Gorbachev: "Acceleration of the con-

try's socioeconomic development is the key to all our problems: immediate and long-term, economic and social, political and ideological, internal and external." But the Soviet leader, whose address had been forecast in a watershed statement on Soviet policy, did not set out a firm plan for reform. He did, however, pledge more financial autonomy to collective farms and industrial enterprises, a new "flexible" pricing system, a new inheritance tax and the loss of bonuses to Soviet workers who produce goods that consumers do not want.

But Gorbachev's straightforward outline of the country's domestic problems was nearly overshadowed by his statement on U.S. nuclear arms policy. He said that President Ronald Reagan's response last week to his January proposal for a three-stage plan to eliminate all nuclear warheads by the year 2000 was "empty." Declared Gorbachev: "It looks as if some people in Washington and elsewhere have got used to living life by side with their nuclear warheads."

The reaction among Soviets to Gorbachev's address was warm. "I think he is determined to do something," one middle-aged Muscovite said. "Things were really awful." Still, a seasoned Western diplomat based in Moscow said that he was disappointed. "He was going over the same ground again. It is starting to sound rather hollow."

Gorbachev clearly set the ideological tone for a 10-day congress that this week will approve a policy program and changes in party rules, formally endorse a new five-year economic plan and elect a new Central Committee. Many of the members who will replace the hall of the 375-member committee who have died, retired or been deposed since the last congress in 1981, were expected to be Gorbachev supporters.

Still, the winds of change have blown over Mother Russia for half a century and many leaders who, the Gorbachevs, intend to bring about reform now lie in unburied graves, their names written in greeting. Gorbachev will have to secure the allegiance of his people, his army, his party and his bureaucrats to avoid becoming just another leader whose high-flow hopes for reform were pretensions.

—KEITH GRADALL in Moscow with WILLIAM LUTHER in Washington

NICARAGUA

Bankrolling rebels



Ortega, supported

deceit for their country." But his appeal did not convince the senators. California Democrat Alan Cranston said that the administration of Ronald Reagan is "betraying a mixed bag of thugs." And in Central America, Costa Rica's president-elect, Oscar Arias, agreed to participate in a plan proposed by a meeting of regional leaders to cease border hostilities with Nicaragua. Ortega himself sent a message to the meeting, charging that that plan for increased aid to the contras were an "act of confrontation against Latin American peoples' wishes for peace."

INDIA

'A terrorist bomb'

After eight months of hearing evidence from the world's foremost aviation experts, the 118-page report of an Indian judicial inquiry was almost a foregone conclusion. The Press Trust of India news agency reported last week that the inquiry had reached its conclusion: the Jan 25 passenger explosion of Air-India flight 182 that killed 259 passengers—most of them Canadians of Indian descent—was caused by "a terrorist bomb" concealed in baggage in the Boeing 747's forward hold. The report will be studied by the Indian government before being made public. The findings appear similar to those in a report by the Canadian Aviation Safety Board presented earlier to the inquiry. The doomed jet, bound for Bombay from Toronto and Montreal, plummeted into the Atlantic off the coast of Ireland. Anonymous telephone calls to news organizations afterward claimed responsibility for the disaster as behalf of both a Sikh separatist group and another organization demanding the liberation of Kashmir—claims later denied. Officials in Canada told a hotel baker identified as M. Singh placed a suitcase on Flight 182 but did not board the flight himself.

ITALY

A lack of proof

Even after five years the memory of the the vivid splash of red on Pope John Paul II's white cassock remains vivid. But the mystery behind the attempted assassination of the pontiff on May 13, 1981, deepened when Mehmet Ali Agca, sentenced to life imprisonment for the shooting, claimed that he had been part of a conspiracy involving the Bulgarian government. Italian prosecutors subsequently charged seven other men with conspiring to kill the Pope four other Turks

and three Bulgarians—Sergio Antonov, Todor Arnaviev and Zvezla Valtire. Last week, after a nine-month trial during which Agca gave confused and often contradictory testimony, prosecutor Antonio Marini urged the jury to acquit the Bulgarians because of "lack of proof." Antonov, a Bulgarian airline official, said that he was to "celebrate the beginning of spring with this very good news" but the Bulgarian news agency Ritz declared that the defendants should be acquitted for "gross innocence." Said the agency: "It is impossible to uphold an indictment on the basis of a gross and obvious slander. This has been eloquently proved by the trial."

SPACE

Falling objects

It was, according to the North American Air Defense Command, only one of about 500 man-made objects launched into space to fall back into Earth's atmosphere, that the Soviet Union's semi-ton Cosmos 1714 satellite was not just another piece of space junk. And when, travelling at a rate of 30,000 km per hour, it fell out of the sky last week, observers around the world tracked its course. The runaway bio-satellite surveillance satellite, which had failed to reach its planned orbit when it was launched on Dec. 26, finally plunged through the atmosphere, scattering remains from Australia to a section of the Atlantic Ocean off Nova Scotia. In January, 1979, another Soviet satellite, Cosmos 954, fell from orbit and scattered radioactive debris in Canada's Northwest Territories. It was in the territories that a US cruise missile crashed last week into the frozen Beaufort Sea—the second test missile in six weeks to crash in Canadian territory. The searoom cruise dropped—just a few minutes' flight time away from launch—moments after it was launched from a U.S. Air Force B-52 bomber. It was the eighth failure of an air-launched cruise in 54 test flights, including six tests in Canada.

FRANCE

The unwelcome guest



Duchetier, rejected

The attempts by the owner of the infamous luxury hotel to evict him from a suite of rooms he has occupied since Feb. 7 was, at the least, embarrassing for Jacques co-president Jean-Claude Ducloux. And the continuing determination of French officials to get him out of France was even more painful. But reports at week's end that the new government in Haiti would seek his return were positively frightening for the fugitive dictator. A government communiqué read over Haiti's television network by the country's new justice minister, Gérard Gourdeau, said Ducloux would "soon be the subject of an extradition request." If Haiti's new five-man government succeed in ousting Ducloux, would return to an island populated with rumors against his regime. Last week mobs lynched two members of Ducloux's former secret police, the "Tonton Macoute," and looted the homes of seven others. And the Haitian justice minister said that there was a "public clamor" against other Ducloux allies, as well.

Three out of five Canadians are looking forward to a meager retirement.



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BUSINESS/SPECIAL REPORT

For weeks the warnings had been unmistakable: Federal Finance Minister Michael Wilson was determined to attack the deficit and he vowed to deliver a tough budget. Last week he did just that. Outlining his second set of restraint measures to the Commons in nine months, Wilson declared, "My message today is a serious one and it is many words not pleasant." The minister asked individual Canadians to accept sharp tax increases to trim almost \$5 billion off the \$34.3-billion federal deficit. And it quickly became clear that middle-class Canadians would have to make the largest contributions. Said Nelson Rosa, vice finance critic: "It places the total responsibility on the backs of Canadian families to reduce the deficit. Wilson is asking us to bite the bullet, but we already have had poisoning."

In outlining his deficit-slashing budget, Wilson tried to reassure nervous money traders and business leaders who say that the government has not provided economic leadership. In an interview with *Maclean's* after the budget last week, the minister acknowledged that the falling dollar and increasing interest rates had influenced the measures that he included in the budget (page 48). Said Wilson: "It's a good package for the business community and the international community."

Measurables? And indeed, by reducing the deficit to just below \$34 billion—considered by many analysts to be the critical benchmark—he gained the praise of many members of the business community. Said John Bellock, president of the Canadian Federation of Independent Business: "On balance, we like the budget, although everybody has had a bit of a shock in the pants."

But money markets and major stock exchanges initially reacted unfavorably. The dollar swiftly began falling, dropping as low as 69.35 cents (U.S.) when trading began on Friday before recovering to 70.15 cents (U.S.) at the close of the day. However, in Toronto stock prices rose sharply on the Toronto Stock Exchange as a result of the weak dollar. Many traders said that Wilson had not cut enough, especially in government expenditures. Said Michael Hefford, an economist with Merrill Lynch Canada Inc.: "Wilson didn't real-



Wilson and Mulroney: deficit cuts

ize the bullet the way the [British and American] administrations have. What we got was a typical attempt to cut back the deficit with onerous tax increases like we have had in the past." For his part, Wilson said that it was too early to judge the budget. "People tend to shoot from the hip. They don't analyze these budgets as carefully as they should."

Even more politically critical for Wilson and the Tories may be the widespread perception that the budget has placed an unfair burden on the usually passive middle class. To raise an extra \$1.5 billion in taxes this year, he imposed a three-per-cent surtax on personal income tax beginning July 1, and he raised the federal sales tax by one percentage point starting April 1. As well, the taxes on alcohol and tobacco increased by four and six per cent respectively. Opposition Leader John Turner called it a "mismanaged budget." Added Derek Brown, an unemployed metal-worker from Trenton, N.J.: "People are getting madder and madder. You won't see this government back in the next election."

Benefits: But business will also feel the budget's tough effects. On Jan. 1, 1987, the government will impose a three-per-cent surtax on corporate income tax, which is expected to generate \$950 million in added revenues by 1991. As well, a variety of tax breaks, including the inventory allowance and the investment tax credit, will be phased out or eliminated. Although the basic corporate tax rate will decline from 36 per cent this year to 25 per cent in 1990, taxes paid by corporations will increase because of the diminished tax shelter. Said Laurence Thibault, president of the Canadian Manufacturers' Association: "The impact is going to be very substantial in our sector."

Wilson had issued unambiguously some of the most popular tax shelters, including registered retirement savings plans. Canadians seeking to offset the impact of the income tax surcharge can lower their taxable income by the amount they deposit in an RRSP. But the 56-per-cent tax credit on dividends paid by Canadian corporations will fall to 30 per cent.

The budget did contain some benefits and they seemed to be distributed in almost every area of the country. A \$1-billion program to encourage business in Atlantic Canada will guarantee loans at reduced interest rates to investors. As well, Wilson said he was prepared to transform Montreal and Vancouver into international banking centres, and he outlined measures to promote northern development. The benefits for the North took the form of a new, permanent sys-

tem of tax benefits for housing and travel to help offset the high cost of living in the North. He proposed a \$50 million in the air transportation tax and up to \$40 million for programs to encourage resource self-reliance for native peoples.

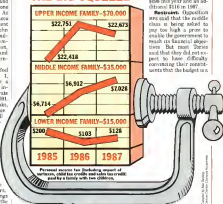
Generosity: For farmers, the budget was especially generous. A new farm financial assistance policy will give the Farm Credit Corp., which provides financial help to farmers, \$300 million at an interest rate of six per cent. And Wilson pledged to help farmers in financial distress who want to find alterna-

Organization: "What we have seen is an effort to improve the lot of the poorest of the poor."

But the group likely to emerge as the one most burdened by Wilson's budget is the middle class. During the traditional closed hearing session for the media, Finance department officials repeatedly rubbed two quarters together, saying that was the additional amount which each Canadian would have to pay to cut the deficit. But members of the traditional middle class face both the new surtax and the increased federal sales tax—without any breaks. For a family of four with an income of \$35,000, taxes will rise \$198 this year and an additional \$116 in 1987.

Reaction: Oppositionists say that the middle class is being asked to pay too high a price to enable the government to reach its financial objectives. But most Tories said that they did not expect to have difficulty convincing their constituents that the budget is a

THE BIG SQUEEZE



tive employment or diversify their crops. At the same time, they were given a year's extension on a fuel-tax rebate.

Protection: Wilson also tried to present certainties that he was not sympathetic to the poor by building in some protection for those earning less than \$15,000. Approximately one million families will qualify for a budget proposal to advance payment of the child-tax credit. Next November they will receive an early payment of \$300 per child. As well, the homeless will be able to file for a sales-tax rebate of \$50 per adult and \$25 per child in the 1986 tax year. Said Patrick Johnston, executive director of the National Anti-Poverty

group and Social Economic Conservative William Atterick: "The average Canadian is prepared to contribute and help control the deficit." Added a finance department official: "The middle class doesn't mind."

The budget also led to a debate—likely to continue for some time—over Wilson's underlying assumptions about economic growth (page 44). Indeed, the contention among economists is that the government provided few specific measures to stimulate the economy, relying on a few measures that the private sector can—and will—assess that function on its own.

Wilson is also counting on lower in-

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interest rates and higher oil prices to help create a better economic climate. Wilson based his budget on oil prices rising to \$52.50 (U.S.) and interest rates dropping to 8.5 per cent. *Real Street* Report, a money market analyst at the Canadian Imperial Bank of Commerce. "Wilson's assumptions created a catch-22 situation in the budget. If the forecast is wrong, we may have a sustained period of higher interest rates to prop up the dollar."

The gradual erosion of the Canadian dollar and rising interest rates have made debt reduction a priority for Wilson. The total national debt, estimated to reach \$334 billion by the end of the current fiscal year—March 31—forces the government to raise the level of its revenues to pay interest on the debt. Said Roger Havel, president of the Canadian Chamber of Commerce: "Business wants the government to create an environment that is conducive to economic growth and this is what Ottawa has done with the emphasis on debt reduction."

Wilson and the government appeared determined to adhere to their course of restraint. One sign of that resolve emerged on Feb. 4 when the cabinet imposed a freeze on all discretionary expenditures in the civil service. The restriction—the first of its kind in the decade—saved the government as much as \$50 million. Similar measures helped the government to hold expenditures to \$101.9 billion last year, \$1.1 billion under the budgeted figure.

Sacrifices This month most senior cabinet members will encounter the country to promote the government's record and the policies contained in the budget. Wilson will begin his tour in Toronto on Thursday, moving on to Western Canada next week. For his part, Prime Minister Brian Mulroney will spend three days in the West, starting with a press conference and dinner in Regina on Thursday. On Friday he will meet with local businessmen in Vancouver. As well, key cabinet ministers such as Barbara McDougall, minister of state for finance, will speak in support of the budget in their home provinces.

The ministers will stress the fact that politicians and civil servants, too, are making sacrifices. MPs will take a \$1,000 pay cut this year. And the government has told civil servants that performance in critical, merit increases in salary will be awarded to ministers who meet or exceed spending reduction targets in their departments. Still, selling the budget's virtues may prove to be difficult. As Havel commented: "The main thing about this budget is that it is a true conservative budget. We are finally going to test Tony's economics."

—ANN JOHNSTON with THORALDA TRENDAC and SHEILA ALEXANDER in Toronto

A TORY'S CRUSADE FOR RESTRAINT

BUSINESS/SPECIAL REPORT

Last week's budget gave the remarkable story of Finance Minister Michael Wilson and his restraint philosophy. He spoke with Maclean's Ottawa bureau chief Paul Gessell and Ottawa correspondent Marie Clark in his Parliament Hill Office.

Maclean's: Since the budget was introduced, the dollar has gone down. Do you feel that you need to do a selling job in the international community?



Wilson, selling the budget abroad

Wilson: We did not design this budget just for the people outside the country. The budget was designed first and foremost for Canadians, for the problems that we are facing here in Canada.

Maclean's: If the money markets do not react favourably, will your credibility and that of the government be damaged? **Wilson:** I think that is true. We've learned an awful lot this year about how tightly we can manage the spending in Ottawa. We were knocked back by the

problems with the banks last fall, and we took action to adjust our spending. We surprised a number of the public servants as to how well we did last year and have given them confidence that we can continue to do it this year. Earlier on, one of the big public servants in Ottawa is offered to buy me the best bottle of wine in the liquor store here if we could find savings of, say, \$2.5 billion. And look what we've done—\$76 billion in spending reductions over the next five years.

Maclean's: How do you sell the need for our increases to the public?

Wilson: Reduction in the deficit will result in lower interest rates. I say to people who have a bank loan, "What are you trying to do with your bank loan?" They say, "I'm trying to cut it back." The reason—because they're paying too much interest and they want to use some of their wages on the better things in life. Governments are the same.

Maclean's: Is this the last of the tough battles before the election?

Wilson: If we hold on to this budget track, and we demonstrated this year that we're determined to hold on to the budget track, then we won't have the need to increase taxes.

Maclean's: Will you not also be coming down by taking \$1.6 billion in extra revenues out of the economy?

Wilson: Either way, whether it is government spending you reduce by \$1.6 billion or taxes you increase by \$1.6 billion, it's going to have an impact.

Maclean's: How do you think the provinces will react to the budget?

Wilson: We have the province of Quebec saying, "We wish they'd cut spending more—but we want to get \$60 million from them in equalization payments." We have Premier Don Getty saying, "Gee, they should have cut more—but we want more for the province of Alberta." The provinces, I think, are very pleased that the federal government is finally coming to grips with this deficit problem because they can see the benefits of that throughout the country. Every week and every day more economic activity, lower interest rates are felt throughout the whole country. Every one of them would like to have a program specifically focused on their province. But that's hard to do. You can't rack and blow



Wilson with Barbara McDougall, Minister of State for Finance. (Photo: Canadian Press)

Some things go hand in hand.

"Some times I wonder. I mean, we both work. I've got my photography and fundraising activities. Stu? He keeps pretty busy. He'll travel for business, and bring work home. He plays racquetball...."

Just the same, we try to do as much as possible together. We share the same interests. Skiing, tennis, golf. We even share the same friends. Most of them are from our university days. That's where we first met.... university.

And now here we are, married.

Funny, even though we are so much alike, I can't help but get the feeling that we're changing. For the better. You know, making room for each other. Building a future together.

My job at Aetna is like that. It's a good place to work. Even though everybody is

different, we are all moving in the same direction.

At Aetna, we're just everyday people doing everyday things. Getting on with our lives. Coping with changes. Until recently, I didn't realize just how much of ourselves is reflected in our work. Now that I'm married, I'm looking at our own insurance policies in a new light. In the marketing department I've been packaging and promoting a full range of products but I never really appreciated their true value until I looked at them as a customer.

Now there's Stu to consider. Our home. And down the road, kids, of course. It's a whole new set of circumstances. But instead of being overwhelmed I'm looking forward to starting a family and all the responsibilities that come with it.



More than just an insurance company

WILSON'S LONG-TERM PLAN

SPECIAL REPORT

This week Finance Minister Michael Wilson, Prime Minister Brian Mulroney and other high-level Tories will face out across Canada in a political exercise known as killing the budget. The Conservatives will try to convince Canadian taxpayers that large tax increases are a necessary—and fair—way to reduce the crippling federal deficit. But in an unusual action that indicates just how much importance Wilson attaches to deficit reduction, the Tories are also sending top politicians and bureaucrats to meet with members of the international financial community in New York, Washington and London.

Their objective, to try to restore confidence in the Conservative's actions, the deficit and, ultimately, the Canadian economy. As one Conservative insider said, "They are going to say, 'Hey, look at what's going on in Canada; we are on track, we have a plan and the deficit is under control.'" But as the government completed last-minute details of the hard-sell agenda, by late last week there was already growing skepticism over whether Wilson's budget would achieve its two aims of reducing the deficit and restoring confidence.

Blowback: As economists and tax experts studied the budget papers, they noted one that Wilson had based his deficit-reduction targets on some uncertain economic assumptions. And other observers said that implementing Wilson's austerity program will test the best of the image-conscious politicians government. For his part, Wilson clearly indicated that he intended to reduce the deficit still further in the coming months. Last week he singled out reformations of the corporate and federal sales tax systems as a way of raising more government revenue. He also indicated that further cuts in government spending might come from social programs.

Wilson's strategy is fundamentally different from that of his Liberal pre-

decessors, because economic growth was not one of the direct objectives of his budget. Roger Elwood, president of the Canadian Chamber of Commerce, noted that the budget contained "very little economic stimulation" because the

consumer spending as it had been in the initial stages, said Sherry Anderson, chief economist with Toronto-based Borden Fry Ltd. In 1985 business investment rose by five per cent after inflation to \$19.5 billion—up from a low of \$18.1 billion in 1983.

Business investment has not yet returned to its previous level—the high to hit in the current decade was \$22.9 billion in 1981. But the budget's elimination or reduction of tax loopholes such as the investment tax credit and inventory allowances will have "only a small negative effect on business spending," said Thomas Wilson, a tax expert with the Institute for Policy Analysis in Toronto.

Control: Still, whether Wilson achieves his goal of reducing the deficit to \$29.6 billion by next year depends on the accuracy of several key economic predictions. First, the finance department is counting on the fact that the economy will grow by 3.7 per cent after inflation in 1986, down from a 4.5-per-cent growth rate in 1985. Despite a net increase of \$168 million in personal income taxes this year—coupled with \$940 million in federal sales and excise tax hikes—finance officials and many business leaders estimated that consumers would keep spending at their current rate because they might decide not to save as much as they usually did. John Bul-

lock, president of the Toronto-based Canadian Federation of Independent Business, for one, pointed out that Canadians were now saving 13.5 per cent of their total after-tax income, one of the world's highest overall savings rates.

Wilson is also assuming that, with the deficit under control, within several months the dollar will stabilize on international markets. That would permit the Bank of Canada to reduce interest rates—the prime lending rate stood at 13 per cent last week—by about two points this year. In turn, lower rates would encourage job-creating business



Bullock counting on business to get the economy rolling

economy was strong and would continue to grow without government intervention. And a high-ranking bureaucrat said that finance department officials "were told to draft a budget with the object of deficit reduction—their job was to find the right policies to achieve that reduction."

Recovery: Indeed, the Conservatives are counting on business to take the lead in sparking economic growth. They are predicting that the current strong growth in business spending on plants and equipment will continue. The three-year-old recovery is now being led by business investment rather than



Anderson, hitting the middle class now, tax reform and government cutbacks later

investment. But for most percentage point, that rate sits above the government's estimate this year, about \$1 billion would be added to the deficit, said Anderson.

As well, the government was predicting that the price of oil will average \$22.50 (\$1.5 a barrel) over the remainder of the year—nearly 85 higher than current levels. Late last week Wilson acknowledged that his oil price forecast was already out of date and that the government would lose tax revenue because of falling prices. But he said that these revenues would be regained because lower oil prices would lead to an upsurge in manufacturing and exports to the United States—activity which generates taxes.

Breakthrough: But Jack Clark, a professor of economics at the University of Toronto, said that that overall, the fall in oil prices will hurt the economy. And Anderson described Wilson's economic assumptions as "overly optimistic." She said that this year's deficit target would not be met unless government spending is cut again or unless the Tories pass an income tax bill that would prop up Chan-

dell's oil price. Said Anderson: "Without such efforts, the Canadian dollar will resume its decline."

Still, finance department officials struggled for months to come up with the right balance of spending cuts and tax increases. An increase in gas taxes—in the face of declining prices in the United States—was rejected as unwise. Department experts considered eliminating the \$1,800 interest income deduction, but they discovered that many of those who claimed it were elderly, poor—or both. "It's the low-income person's tax deduction," an official said.

Finally, the government decided to raise taxes through a three-per-cent income surtax because that method spread the burden over a wide range of the population—instead of singling out one group. And there are already indications that the Tories may be able to sell the tax increases as a necessary part of reducing the deficit. Said Pamela Burck, 38, a clerk with a Vancouver brokerage firm earning about \$25,000 annually: "They have to reduce the deficit. I didn't

think the budget was bad at all." For his part, James Mann, a married 59-year-old former in Hedgesville, said that he thought the budget "more or less distributed the tax burden fairly."

Continuation: Having imposed such an increase on the middle class, many political experts said that as the Tories move closer to a general election Wilson would still emphasize cutting the deficit—not through tax reforms and by reducing spending on government programs. One of the indications of how that reform will take place is contained in the budget's changes to the corporate tax system. An extra \$750 million is being raised from corporations this year and sent by closing loopholes, officially called tax preferences. That will broaden the tax base even though the corporate tax rate will decline.

Wilson says that he also intends to reform the federal sales tax system. Currently the sales tax, now at 13 per cent, applies to only 30 per cent of the goods produced in Canada. That tax may be replaced with a broad-based transfer tax that would be imposed on all goods and services.

A far more politically contentious action will be Wilson's renewed attack on social programs, including unemployment insurance, which currently averages 54 per cent of Ottawa's program costs. His strategy, he says, is to "maintain universal access" to social programs while directing more money to the needy by tacking back those benefits from high-income Canadians. In selling this approach, Wilson will stress fairness and the importance of meeting the needs of the poor.

Deadline: Many business groups—including the influential Business Council on National Issues—applauded Wilson's move to tie the deficit to a step in the tax direction. But he appears to have angered many Canadians by proposing tax increases that were more than twice as large as expenditure cuts. Others will raise \$1.48 billion through tax increases in the fiscal year ending March 31, 1987, compared to \$676 million in cutbacks.

Still, Wilson pointed out that spending on all programs (exclusive of the interest on the debt) will decline to \$86.6 billion this year, the first absolute decline in 30 years. Said Michael McCrae, president of Ottawa-based Information Ltd.: "Anyone who says there is no restraint on the government is not looking at the numbers." Indeed, as Michael Wilson goes on the road this week, he will be trying to convince Canadians that when it comes to the deficit, less is more.

—MICHAEL SALKER AND THURSDAY TELETYPE BY TORONTO, BARRY JANDREAN in Ottawa and correspondence by Toronto

Quirk's support for the poor





McCain Foods researcher examining potato plants; Harrison McCain (right) as a couple based on the French French fry

BUSINESS/ECONOMY

A small-town multinational

In Florenceville, N.B., home to McCain Foods Ltd.—one of the world's largest purveyors of frozen french fries—there is nowhere to go for a discreet business lunch. The only restaurant in the village of 800 is a crowded lunch counter near the racks of overalls and work boots at Buckingham's Department Store. Occasionally, one of the two McCain brothers—Harrison, the company's chairman, and Wallace, McCain's president—shows up for a cheeseburger and french fries. The fries are made by McCain and they are practically identical to the 36 million individual servings consumed every day in homes and restaurants from Vancouver to Milan.

Starting with a single french-fry plant that they opened just outside of Florenceville in 1957, the brothers have spent 30 years building McCain Foods into a multinational food giant, with 30 plants in seven countries employing about 7,500 people. Last year sales topped \$1 billion for the first time. But the quintessential McCain brothers, whose families are the sole owners of the company, have not themselves

new challenges. Among them: expanding into the populous Pacific Rim countries and increasing their sales in the lucrative U.S. market, where success, says Harrison McCain, has so far proved elusive. Still, the brothers have proven that it is possible to operate a prosperous multinational from the confines of a small New Brunswick village. The understated head-office building overlooks the broad sweep of the St. John River, 30 km upstream from Fredericton and the McCains have proven that a small family firm can survive a leap into the giant leagues. On any given day McCain products are served around the world—frozen orange juice in Canada, fish and chips in Britain, roadside fries in Spain and pizza in Australia.

Keeping track of these head-office operations is still the prime concern of the two brothers—Harrison, 53, a bluff, outgoing man with the hard-boiled complexion of an owl, and Wallace, 55, a reserved townie player. They each spend at least 150 days of the year away from home, often flying to meetings from a private

rummy across the river from their Florenceville headquarters in one of two company planes. The brothers are informal in style. Nicknames are a rarity among head-office staff, and visitors are allowed to find their own way out with the casual disregard for security that characterizes a region where most people still leave their homes and cars unlocked. Harrison McCain resided only two formal, full-dress dinners' company since 1955. "I don't think I was at either of them," he said.

He added that he and his brother have adjusted easily to the company's huge size. "The business grows as family-owned companies have a hard time getting beyond the size where responsibility are delegated," Harrison said. "We successfully passed that a long time ago. You cannot run a billion-dollar company yourself."

Still, the head-office staff of just over 100 people is less by the standards of most multinationals, and the McCains maintain strict control over their company's affairs. Unhappy projects with a subsidiary's budget projections and product quality, Harrison

ordered improvements. His Toledo, Ohio, plant was the last deadline. "McL grew it a week." The two men also approve all major company appointments as well as all borrowing for investment. And they share authority equally. Stud Scotty Fredrickson, the company's public relations director: "The one who is in charge is whoever is it."

The brothers also sometimes take calculated risks. Recalling the company's early years, Harrison said, "We used to bet the bundle every day." In 1968 the McCains used their \$200,000 inheritance from the family seed potato business to build the first frozen french-fry plant in Eastern Canada. Although the business grew rapidly in Canada, the McCains were discouraged by the problems of taking their product to the U.S. market, where food giants such as Borden, Libbe-based On the Border Foods Inc. were already selling frozen french fries.

Instead, the McCains reasoned that their chances were better if they expanded in Europe, where frozen french fries were a novelty. In 1968 the brothers bought an English coloring supply company in order to market frozen french fries in Britain. The move was successful, and in 1969 McCain opened its first overseas food-processing plant in Britain. McCain now claims to be the third-largest frozen food company in the United Kingdom.

Acquisitions and new overseas plants followed at a rapid pace over the next 10 years. The company opened

food-processing plants in Australia in 1970, in Holland two years later, in Spain in 1976 and in France in 1980. Packaging and product lines were modified to reflect national tastes. McCain's chicken salad and chips for German consumers. McCain's thick-cut french fries for the British.

In North America the McCains bought a variety of companies in order to cut costs, support their main business and expand into new areas. They own a trucking company and a farm equipment dealer in New Brunswick, frozen juice packers in Toronto and Chicago and cheese and meat packing plants in Ontario and Quebec.

The McCain brothers claim that they create markets rather than follow them. Industry observer John Sawley, editor of the New York-based trade publication *Quick Frozen Foods International*, says that contention is reflected in such novel innovations as frozen pizza topped with pineapple—developed by McCain's Australian subsidiary—or pizza with corn, ham, and sausage in Britain. Said Sawley: "McCain has been a couple of steps ahead of other folks."

By last year McCain Foods was selling its products in 90 countries. But the McCains have remained faithful to their roots in New Brunswick's potato belt. The company buys approximately 50 per cent of the province's annual 600,000-ton crop. And McCain Foods is now helping local potato growers deal with a severe drop in potato prices by buying crops under contract at close to twice the market price. Last week McCain was buying potatoes for 15¢ a bushel of high-quality processing potatoes, double the open market price of 80¢ per barrel.

There have been regular complaints about McCain's corporate conduct for years. McCain's Florencia plant is the largest in the world. The St. John River, with the equivalent of the raw sewage from a city of 250,000 people, according to federal environment officials. A treatment plant is being built by McCain and is scheduled to open in April. But the project was undertaken only after the New Brunswick provincial court convicted McCain as guilty

of pollution-related charges. For five years, the federal department of energy, mines and resources contributed \$1.8 million toward the estimated \$6.5-million cost of the treatment plant. And until the plant is operational, the federal department of the environment has refused to sanction more than \$4.5 million in other grants already approved for McCain for plant modernization in New Brunswick.

The McCains have also come under scrutiny for their high-level expertise in attracting government grants. Indeed, federal guarantees for \$420,000 in McCain company bonds helped Harrison and Wallace get started in 1955. By the mid-1970s guaranteed loans and direct grants from various governments had topped \$15 million. Harrison McCain, whose office is decorated with photographs of Pierre Trudeau and former Liberal New Brunswick premier Louis Robitaille—says that government grants only help reduce the extra operating costs that they incur in running a multinational corporation far from its main markets.

But criticism has never been an obstacle for the McCain brothers. In fact, their restless expansion continues. The company has an estimated \$50.7 million in cash from the sale last December of its 23-per-cent stake in Canada Packers Inc. The money is likely to be spent buying other companies in

Canada, and abroad, as well as in developing new products.

Already, two of Wallace's sons, two of McCain's nephews and Harrison's daughter work for McCain Foods. Still, Harrison McCain is not ready to pass on control of the family business. Declared Harrison: "I may die in because the heirs get too much. We are not worried about it. It is like idea off others in the family succeeding us."

But one thing seems certain: McCain's head office in the small town of Florenceville, New Brunswick, will continue to launch with their employees in the plant continents

or, now and then, down the road at the McCains' home in the "The McCains," Harrison noted simply. "We like it here."

—CHERYL WOOD in Florenceville



A budget for the boardrooms

By Peter C. Newman

A part from its revolutionary notion of granting civil servants salary increases based strictly on merit, Michael Wilson's second budget was significant mainly for the variety of messages it delivered.

To the business community, the Mulroney government seemed to be saying that now is the time for all good businessmen to enter to the aid of the party. Wilson stressed that "the best way to create jobs is through private initiative" and invited companies to raise their fortunes by creating new jobs. Such a simplistic appeal betrays a fundamental misunderstanding of the Canadian business mentality. The average corporate executive is interested not in expanding capital facilities in a way that will make new jobs but in a way that will increase profits, and that often means high-tech innovations which sooner or later decrease employment. Still, this was the budget the businessmen were praying for. As John Bullock of the Canadian Federation of Independent Business aptly put it, "This is not a budget to like but a budget to be thankful for."

The Canadian economy remains in a delicate state of suspended animation. The difference between real prosperity, which would significantly lower unemployment and the current drift does not depend on tax changes or federal spending cuts—or even higher consumer expenditures. Only a massive renunciation of capital investment will do the trick. What is really wrong with this budget is not so much what's in it but the fact that it contains no creative incentives to increase the capital investment sector. The onus is heavily on Michael Wilson and his officials to give business a good reason for expanding facilities and other production facilities instead of using profits to pay back loans and pay out dividends.

To the international money lenders, the budget tried to send a loud message, if they attempted to push the Canadian dollar into another subsiding free fall, Ottawa would fight back. The tactic didn't work. Opposition Leader John Turner was wrong if it is a conviction, but he was dead right when he commented that "the international money markets doubted this budget." Now, if they would only crawl back into another subsiding free fall, we would surely be raising the TV images of offshore gnomes talking us how to run our country.

To union leaders, the budget finally drove home the point that this is truly a Conservative government. Populism pays off at the polls but it doesn't cover the bills.

To bureaucrats, Wilson put forth a carefully balanced warning: he will not give in to the "spare on the left" issues being demanded by economist Carl Bogue of Dominion Securities Pitfield Ltd., but he served notice that the gov-



Mulroney: back into the trading pits

ern (spending) days are over. It was not so much the 600-million net reduction this year, but the two-per-cent cap on spending into the 1986 that has put the civil service on tenterhooks. The days of the joke that civil servants wink by opening one eye are over. From now on, they will have to perform or get out.

To taxpayers, the news is short and not at all sweet: higher taxes on everything that moves and much that doesn't. But there was an intriguing

slip in Wilson's brief reference to "not dismantling social programs" while "directing more resources to those most in need." Could this be the first hint that the Mulroney crew has begun to take seriously not just free trade with the United States but the Mulroney Commission's other major recommendations—the consolidation of social spending into a guaranteed annual income scheme?

For political purposes, the budget opened up some lively speculation on the Mulroney style. From the beginning, the Conservatives appeared determined to avoid Pierre Trudeau's epic error of alienating so many special-interest groups that he eventually lost his power base. Free taking off, Mulroney seemed to be following the tack that by buying off enough particular interests—with promises and occasionally with action—the general interest would somehow take care of itself. That approach to governing allowed the Prime Minister to set as a broader across special-interest groups in the hope that his reach would encompass enough of a constituency to renew his mandate. But this budget disrupted that technique in mid-stride, it has hit nearly everybody. Could it be that Mulroney is finally beginning to govern for real?

To most of us, the budget left a lot of unanswered questions. On a political level, in both his budgets Michael Wilson has convinced the government is some fairly stiff tax increases and cost cutting, not just in the immediate future but well into 1990—which takes him well past the end of the current mandate. How will he be able to remain comfortable in a government bound by the long-standing practice (probably maintained by necessity) of taking a pre-election budget that will have to reverse or at least considerably soften most of its current directions?

The budget as a whole was probably the most astoundingly accurate accounting of the cabinet's economic affairs possible under the circumstances. What it lacked was any concrete vision of the future, any policies to build a dream on. The government is still searching for glimpses of the direction it should follow if it is to leave behind any permanent legacy beyond the fact of simply having been in power.

But that is for the future. For now, Brian Mulroney is probably just hoping that the budget debate will finally quench the thirst of him.

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in a time that could prove more than a little embarrassing to most Autobahn hardware. Equally important, this staggering performance is being presented along with an even greater commitment to our more traditional virtues of safety, luxury, comfort and durability.

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James T. Case, President, Collins Management, PRC, Denver, Collins Management Ltd.

James Case, President of one of the firms in the group, explains how Apple's Macintosh personal computers and LaserWriter printer have helped to make their companies more efficient, productive and successful in Canada's highly demanding and competitive petroleum and energy industries.

"On the average, the Apple Macintosh and LaserWriter printer save us about \$27,000 a report."

James T. Case

Personally I'm in the business of environmental research. When I was in university I conducted a lot of research which resulted in a few outside contracts and pretty soon I wasn't doing any research for the university. It was outside.

So I took a pretty scary step for an academic. I cut the umbilical cord - and stepped out into the world of chartered accountants and tax collectors.

There are about a dozen companies here primarily involved in the petroleum and

minerals industry. We are more or less a consortium of nine firms that occupy a collective space that we all operate independently.

A couple of us have quite a broad experience on a computer side. Right from mainframes down to macros.

One reason we went with Macintosh™ is that we liked the user interface. And we also liked Apple's philosophy.

We got the feeling that Apple™ was making our future that people build. There was a real solid, safe feeling that we had. That was one of the things that helped us make the decision.

We were very pleased when Apple made the Macintosh an office machine and supported it in the business side of things. That was important to us because we took the risk when there were only three pieces of software - and Apple really came through.

I think the other primary factor is that we're all professionals who have spent upwards of fifteen years learning to be very good at our specialties and most of us didn't want to turn around and have to learn computer programming or the MS-DOS operating system. We just wanted to take a tool and use it.

We use the Macintosh to research and run in Ontario and six politicians in north-east Alberta. Others here use Macs for economic modelling, oil exploration and planning drilling programs. We all use the Macs for accounting.

"We took the risk when there were only three pieces of software - and Apple really came through."

We have the LaserWriter™ printer set up almost as a separate entity. And everybody prints on it.

We print reports, charts and graphs, overhead presentations, diagrams downloaded into mainframes, even our own custom run-down type using scientific fonts.

In addition we use Macintosh to digitize and print out aerial photographs and maps.

The LaserWriter provides us with neat layout.

"With the LaserWriter we are able to do a page for fifty cents where a typeset page would probably cost closer to fifteen dollars."

quality. In fact, we don't think the cost difference to go to typeset quality is justified. Our clients need high-quality reports because they are usually being released to the public or submitted to another government or regulatory body for review.

We used to go to typesetting because



The Apple LaserWriter printer is capable of producing high-quality pages of near-typeset quality text and graphics per minute.

that was the only technology available to us. With the LaserWriter we are able to do a page for fifty cents where a typeset page would

probably cost closer to fifteen dollars a page. That is really expensive when you're only producing six to sixteen copies.

For example, we had one report that if we had done it outside, I estimate the typesetting and printing would have taken three to four weeks and cost fifteen thousand dollars. The Macintosh and LaserWriter did it in less than four days with a net cost of three thousand dollars.

A graphic example from the many reports generated by the consulting firm of Collins Management Ltd.

Then there was a commercial economic evaluation that took ten days to do.

Before the LaserWriter it would have taken thirty days and it wouldn't look as good.

The LaserWriter has really replaced typeset technology for report generation. Our LaserWriter now acts as our typesetter and our photocopier; it copies our printer. When you roll in the time, the LaserWriter probably saves us an average of about \$27,000 on a major report.

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"What I get done in a week now, used to take six weeks' time."

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Undebated as a professional with a 38-0 record, Toronto welterweight **Shawn O'Sullivan**, 33, is earning growing acclaim among boxing fans who feel that he is Canada's best hope for a world title. O'Sullivan is currently training with former welterweight champion **Sugar Ray Leonard**, 29, for his next bout in Reno, Nev., on May 15 with an as-yet-unannounced top-20 contender. He says that his superior status makes him feel "swept between a rock and a hard place. You can't really win because if you do, it's expected—and if you lose, well, it's front page news." Still, O'Sullivan is



O'Sullivan: "TV box anyone, anytime?"

confident: "I'll box anyone, anytime." When asked whether he felt better with his right or his left hand, he said: "Well, yeah, if I can catch you with either one, to be honest both will do the trick."

Model and globetrotter **ToniA Star**, 36, and **Frank**, 35, says she adopted their surname—here is Patti—for professional reasons. Still, she confesses many of those who try to keep pace with her. In December she attended Sylvester's wedding to **Brigitte Nielsen**, 25, in Beverly Hills. But recently her Miami-based agent declared, "Right now ToniA could be in New York, Los Angeles, Europe or Hawaii." Added Frank: "We're pretty tight, but I don't know where she is at all." And during a brief stop at the home of New York socialite **Constance Daoust**, ToniA said that she is a great believer in plastic surgery—but when asked if she had ever had it done, she replied, "Of course not." Adding to the confusion, she declared that her fa-

ther once owned an Italian restaurant in Toronto. "That was my father," Frank said. "In 1967 he owned a block long pizza factory. We were actually going to move up there."

Former Hollywood beauty queen **Yvonne De Carlo**, 61, appeared recently as **Bob Hope's** rumpus landlady in the TV movie *Masterpiece Mass*, and



Starbuck: "That was my father."

which was filmed in her native Vancouver last fall. But now De Carlo says that she made a mistake in taking on the role. Working on an autobiography to be published this fall, the former star of the television series *The Monkees* said that for years she has coaxed her agents to find her "Shirley Maerz-type" roles. But she says she is convinced that "the public would rather see me in something with just a touch of glamour—not a big old sweater with safety pins."

Actress **Bette Davis**, 71, who was in Paris recently as guest of honor at the 20th anniversary of the Cannes film festival, also received a special lifetime achievement Oscar award. But Davis, who was born-actress Oscars for

Demerol (1938) and *Jessie* (1938), told *MovieWeek* "I do not consider myself a legend. You only become a legend when you're dead. I still have a couple of good roles in me, and I would love to have someone write a good scenario as **Helena Rubinstein**. That they had better hurry." She added that she regrets that currently "there are no romantic and sexy leading men like **Charles Boyer**, **Clark Gable** and **Gary Cooper**. The only one I find sexy is **Rory Devore**, and maybe **Paul Newman**." Adding that "there are no great romantic scripts," Davis ended the interview with her teasing signature line from *Cat on a Hot Tin Roof*: "I'm not a legend."



Jewison: Association with mysticism

Clives: "I'd love to lose you, but I just washed my hair."

Last November Toronto-born film director **Norman Jewison**, 55, fulfilled a long-held ambition when he says was inspired by his late father's fascination with mysticism. Accompanied by sons **Kevin**, 25, and **Michael**, 27, neighbor **Tim Stewart** who lives near Jewison's home in Caledon, Ont., four Sherpa guides and eight porters, Jewison trekked for 121 days in the Himalayan mountains of Nepal. The number of Buddhist monasteries and holy men contributed to a spiritual and mystical atmosphere, said Jewison. Also, "the majesty of the mountains created a feeling of awe and beauty which was conducive to meditation—probably as the air got thinner." But Jewison said that he did not have a religious experience, adding: "Somehow I feel close to God, some days I don't."

—Edited by MARY McFEE

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The protest campaign of the doctors

On the walls of the spartan, unadorned waiting room at four photocopied signs reading: "Fight For Your Doctor's Freedom. Inside his cramped office, Dr. Michael Scholoff quietly defends the right of doctors to bill patients more than the fees set by the province—a practice known in Ontario as extra billing. The 44-year-old family physician, whose 15-hour day consists of visits to four waiting rooms before afternoon appointments with patients in his downtown Toronto office, does not extra-bill. He says both he and his patients, many of whom live on welfare, are better served if he collects his fees directly from the government-run Ontario Health Insurance Plan (OHIP). Under the arrangement, he earns roughly the same income as the average Ontario physician: \$44,335. Still, he—and the majority of his colleagues—say a principle is at stake. Declared Scholoff: "Doctors are self-employed professionals and must be allowed to continue practicing with the freedom they have now."



Ontario rally. Meran (right); Scholoff (center); a revolt over extra billing and a strike threat.

Scholoff is one of hundreds of Ontario doctors who are battling against legislation proposed by the Ontario Liberal government that would ban extra billing or penalty of fines up to \$10,000. The Ontario Medical Association (OMA), which represents most of the province's 17,000 doctors, insists that the ban amounts to government control of the medical profession. Since January the OMA has conducted the government by holding meetings across the province. Last month 1,000 Ontario doctors cancelled elective surgery and closed their offices in protest of a two-hour afternoon waiting session. So far, patients have not been seriously affected by the doctors' lobby campaign that has called for the OMA to warn the government that a province-wide strike would be the next step if the stalemate continues. Said Dr. Edward Meran, the association's general secretary and formerly a family physician: "We know the public will

not be served well if it comes to that, but doctors are upset and many would be willing to go that far." And already some disgruntled doctors have gone beyond the OMA's cautious stance. In Toronto last month five defiant doctors resigned from the region's only therapeutic abortion committee in a protest against the extra-billing legislation.

"modified medicine." By the time the matter was resolved in negotiations, some doctors had left Saskatchewan to practice medicine elsewhere. Indeed, the settlement guaranteeing universal health insurance was reached only after the government agreed to permit doctors to bill patients directly and allowed them to charge more than pro-

"destroy the program." Accepting Harris' advice, Meran instructed the Canada Health Act and, with the unanimous support of the House of Commons, it took effect on July 1, 1984, discouraging the provinces from extra billing. Since then, Ottawa has withheld transfer payment funds from two provinces which have allowed extra billing—\$20 million from Alberta and almost \$88 million from Ontario.

The Ontario Liberals introduced the extra-billing bill to qualify again for that federal transfer money—and Premier David Peterson's government has been deadlocked with the OMA over

government, removing doctors' influence on the quality of health care. Said Meran: "We are simply asserting an arm's-length relationship with the government because we do not want the government to compromise the system because of cost."

Still, the OMA has had considerable influence, along with the government, in the establishment of the OHIP fee schedule, which would be the only fee doctors could charge once the bill passes its third reading, possibly by April. The OHIP schedule—the rate at which the government reimburses doctors for their work—is currently 74.66

percent of the fees for various tasks set by the OMA's own economics and tariff committees. Fully 2,048 Ontario doctors do not participate at all in the OHIP system and may bill as they choose—even above the OMA designated fee. While the OMA's rates themselves do not need government approval, the number of health must be notified six months before publication of a new OMA schedule has increased an average of 47 per cent a year.

As it pursues its campaign against the legislation, the OMA board of directors has urged doctors to avoid confrontation with the government. Instead, it has asked doctors to discuss the issue with friends and patients in hopes of obtaining pledges of support. It also wants doctors to display posters in their offices and to declare local "health care accessibility weeks"—Toronto region doctors will begin a week of limited service on March 24. Bill with emotions running high, some doctors expect to see their anger with BHS 94 in their own ways—and, as a result, alienating the public in a poll commissioned by the Ontario Nurses' Association in October, 70 per cent of respondents disapproved of extra billing. Indeed, the Harris doctors, who did not attend the OMA before resigning from the abortion committee, maintained public opinion. A coalition of labor, women's and consumer groups across the province condemned the doctors for their tactics. And in another well-publicized incident, a Cornwall man who had cut his thumb on glass shards during a bar brawl had to travel an hour by ambulance to Ottawa at 2 a.m. for surgery on a tendon because Dr. Robert Harris, a surgeon who had been on call until 11 p.m. that night at the Cornwall General Hospital, refused to return to treat the wound. Later, Harris, a specialist in hand surgery, explained in a letter to the provincial New Democratic Party that he was getting dressed to respond to the call, but that he changed his mind after being "overcome with the thoughts that have been apparent in our minds lately: government interference into our affairs."



Since. Despite repeated claims that it is seeking negotiations, the OMA refuses to bargain over the principle of extra billing. Critics argue that doctors, whose occupation Revenue Canada ranks as the country's highest-paying, simply want to protect their incomes. But many doctors disagree. According to a January survey by the Ontario Ministry of Health indicating that 86 per cent of Ontario doctors do not extra-bill. Said Scholoff: "It is unfair to lump the whole profession into a black doctor's bag with green money flowing out. We are careful for reasons other than income."

OMA general secretary Meran says Bill 94, the health care accessibility act, will result in a health system entirely controlled by

per cent of the fees for various tasks set by the OMA's own economics and tariff committees. Fully 2,048 Ontario doctors do not participate at all in the OHIP system and may bill as they choose—even above the OMA designated fee.

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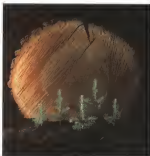
For his part, Peterson has said that by is prepared to withdraw the legislation only if the doctors agree to negotiate an end to the practice of extra billing. Yet NDP leader Bob Rae has reminded the Liberals that the legislation is part of a deal that Peterson's Liberals and the NDP would ask him to keep the Liberals in power. Besides, introducing the bill could antagonize voters who expect the premier to honor his campaign promise to outlaw extra billing. Said Rae: "There can be no discussion of the government's position on its loss of this battle, private profit motives will cause a task in the province like we've never seen before."

With both sides steadfast in their positions, there remains the possibility of binding arbitrators as a resolution—a route doctors in Manitoba have pursued to end their feud with BHS. When Hall made that suggestion, the OMA was not impressed. Said association president Don Myers, a pro-unionist: "You can't trust the government, and they can override an arbitrator at will." Clearly, one of the province's strongest government critics faces the biggest challenge he has faced in his eight months as premier.

—SHERIDAN KAPLAN and Toronto



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 The Pulp and Paper Industry of Canada

SPORTS

A fast track to fame

He was a skinny 14-year-old when his family moved to Toronto from Jamaica in 1976. Since then, fast-footed Ben Johnson has developed into one of the world's fastest humans. Competing in a sport where hundreds of a second separate winners from also-rans, the 24-year-old sprinter has amassed an impressive string of victories in meets since he won two bronze medals at the 1984 Summer Olympics in Los Angeles. And last December in Osaka, Japan, Johnson set a world indoor record of 6.50 seconds in the 60-m dash—knocking 0.04 seconds off the previous best set in 1978. He suffered his first loss of the 1985 Grand Prix indoor season last week at New York's Madison Square Garden, when he placed second behind the University of Pittsburgh's Lee McRae in the 60-yard dash at the U.S. indoor championships. Ben Johnson, who won all previous eight races at the indoor circuit, is still the man to beat. Declared Gary Hill, managing editor of the Los Angeles, Calif.-based *Track & Field News*: "Johnson is the



JOHNSON: A KING. But still the man to beat!

No.1 sprinter in the world right now."

Just two months ago the magazine, accepted around the world as the bible of track and field, ranked Johnson second, only 8-65 points behind U.S. superstar Carl Lewis. While Johnson dethroned Lewis once in their three 1985 meetings—a 100-m dash in Zurich last August—the two have not met in competition this year. Last month their rivalry grew heated when Johnson accused Lewis, winner of four Olympic gold medals, of cheating with him—a charge his flamboyant adversary angrily denied. Still, said Charlie Francis, Johnson's coach with Toronto's York University Optimists: "It doesn't matter what the rankings are as long as he wins the races."

Introduced to running by his brother Edward in 1977, Johnson has been renowned for his dedication to excellence: a trust fund has allowed him to buy a sports car and a house where he lives with his mother. Johnson is an avid videographer who also enjoys tinkering with cars. Named the 1984 Male Athlete of the Year by the Sports Federation of Canada in January, Johnson now has his ambitions focused on Seoul, South Korea, in 1988. "That's my No.1 goal," declared Johnson, "the Olympics."

—BRIAN JEFFREY STREET in Toronto



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Blemishes on NASA's shining image

Among the buildings surrounding Washington's stately rectangular Mall stands the National Air and Space Museum, a concrete and glass mannequin to the exploits of the National Aeronautics and Space Administration (NASA). The massive museum, part of the capital's famed Smithsonian Institution, houses an astronaut's hall of fame and displays of voyage scarred space capsules. But last week, at NASA's nondescript headquarters immediately to the north, there was no hint of the lofty triumphs of the past. In the aftermath of the tragic Jan. 28 explosion of the space shuttle Challenger, which killed all seven crew members, NASA announced the layoff of 1,500 employees—the day after former U.S. secretary of state William Rogers, head of a presidential commission on the explosion, accused the agency of bad judgment in going ahead with the launch.

Evidence before the special inquiry investigating the accident was dramatic and damning to the agency. Engineers from Brigham City, Utah-based Morton Thiokol Inc., the builder of the solid-fuel booster that may have caused the explosion, and shuttle craft maker Rockwell International Corp. of Pittsburgh, Pa., testified that they recommended against launching Challenger on its ill-fated mission. Senior NASA officials responded that they had not received the warnings. As the commission ended hearings on the devastating process, Rogers declared that there was "a serious deficiency in the process. We think it is flawed."

Until last week the future of continued manned space travel seemed secure. While President Ronald Reagan has insisted that U.S. manned space flights will resume, officials' resignation of NASA—the Rogers commission is expected to report by June—would make it difficult for the agency to raise the estimated \$2.6 billion for a shuttle to replace Challenger or even to avoid cutbacks in its \$10-billion budget.

The testimony last week certainly did not help the cause. Thiokol engineers Allen McDonald and Bruce Bevel testified that in a series of telephone conversations,

NASA officials pressured them to change their opinion that it was unsafe to go ahead with the launch. The engineers said they feared that below-freezing temperatures would cause stress on the booster rockets in full which, in turn, would send fiery gases onto the shuttle's main fuel tank, filled with a highly volatile mixture of



Technicians assembling booster rocket, freezing temperatures, fiery gases

oxygen and hydrogen. Two detailed photographs, released by NASA last week, show that the right-hand booster was spewing brown-black smoke from its side nozzles after the launch.

According to McDonald, who has managed rocket progress for more than 36 years, NASA officials had "strong concerns" about his company's recommendation not to launch. Bevel: "I had a distinct feeling that we were in the position of having to prove it was made instead of the other way around, which was a totally new experience." And another witness, Renee Petrone, president of Rockwell International's shuttle division, which builds the actual shuttle craft, testified that he advised his employees to warn

NASA that launching was not "absolutely safe" because ice on the launch pad might damage the Challenger.

In a tense exchange with the panel, NASA officials denied pressuring the engineers. But they testified that the agency's top officials were never told of the engineers' recommendation against the launch by Thiokol engineers.

Laurence Mulloy, the manager of solid-fuel rockets for NASA, said that the agency had not pressured Thiokol. It had simply required whether the no-launch suggestion "was logical and sound." Eventually, Thiokol's management sided with NASA and gave the go-ahead for the flight, a position the company's engineering team continues to oppose. Clearly annoyed by the NASA officials' testimony, Rogers snapped, "I think all of us feel there has been a breakdown of our faith in the process."

NASA's organizational problems also continued with the resignation of administrator James Beggs. He had taken a leave from his post in December when he was charged with defunding the agency while serving as an executive with General Dynamics Corp. before joining NASA in July, 1981. While Beggs' departure left the way clear for the appointment of a successor, a new chief faced the daunting challenge of restoring NASA's once-searing image.

—BRIAN MORTON in Washington

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A universe unfolding

THE FLAMINGO'S SMILE: REFLECTIONS IN NATURAL HISTORY

By Stephen Jay Gould
(Penguin Books, 176 pages, \$22.95)

The staggering variety of creatures to which human beings are linked is "an endless source of delight, not to mention awe," writes Stephen Jay Gould, a Harvard professor of geology, biology and the history of science. Gould is an elite popularizer in *The Fleeting of the Smile*, the fourth collection of his columns from *Natural History Magazine*; lay readers will repeatedly encounter creatures they have never heard of—and never lose that sense of wonder.

Goold's method is to entertain, but his purpose is to inform. After a long amusing dissertation on how the diamond's beak has acquired a smiling shape because of the bird's habit of sitting with its head upside down, Goold suddenly resorts to the role of stoody-synd teacher. "These adaptations to life upside down are not just funny facts," he says, before enlarging

the reader's grasp of how behavior triggers evolutionary change.

Throughout the book, Gould uses unusual examples to illuminate whatever his wide-ranging mind encompasses. His study of *echinoderms*—a class of marine invertebrates—supports a highly persuasive essay on why no ma-

As baseball has evolved, the players—like marine invertebrates—have become standardized, with fewer extremes

major-league baseball player has been able to punch his seasonal batting average above .400 since Ted Williams did it in 1941. Gould's point is that as baseball has evolved, the players—like eukaryotes—have become standardized, with fewer extreme variations at either end of the scale. Readers with no compelling interest in either base-

hall or echinoderms are rewarded with a better understanding of natural processes.

Gould's movie has readers as well as enlighten them. But he becomes infuriated when recounting what he clearly regards as abuses of science as in the case of Carrie Buck. She was sterilized in Virginia in 1927 on the grounds that she, her mother and her daughter were feeble-minded, said, in the U.S. Supreme Court judgment of *M. Justice Oliver Wendell Holmes*, "Three generations of imbeciles are enough." It was a triumph for the eugenics movement, then promoted as the latest in scientific modernism. But, says Gould, subsequent investigation has shown that none of the three were retarded. The decision was a case of persistence of the doctor's opinion.

Underlying Gould's horror at the denial of Carrie Beal's humanity is his conviction that variety, and individuality, are the raw material of evolutionary change. "Life is the product of a contingent past, not the inevitable and predictable result of simple, timeless laws of nature," he declares. Finding meaning by studying nature's oddities, Gould eloquently shares both his discoveries and his delight in them.

—[REDACTED]—

A brutal surrogate war

WITH THE CONTRAS
By Christopher Dooling
(General Publishing, 327 pages, \$29.95)

The bombarding aerial was waged by American-supported forces against Nicaragua's left-wing Sandinista regime shown even more sign of intensifying. President Ronald Reagan is now urging Congress to add more money to the aid to help fuel the contra's sparring with the Sandinistas. That makes journalist Christopher Dickey's startling *With The Contras* extremely timely. Dickey's reporting reveals a covert war that has been vicious and inept virtually from its inception. He also tells of the CIA's employing "freedom fighters" lashed by Reagan, the contra's emergence in Dickey's book as apocalyptic, often psychotic killers whose crusade against the Sandinistas has achieved little—except to contribute to the deaths of many tens of thousands.

As Central American bureau chief for The Washington Post, Dickey reported on the region's troubles from 1989 to 1993. That overview has enabled him to place the events in Nicaraguan border camps in the wider



Contrag. invalida Micromysa: vicious

content of the ranging battle between Masagana and Washington. And it has allowed him to flesh out the story of the eastern group that guided him into the war zone in 1983—one of the first foreign reporters to be allowed in.

With the Contras in the story of such men as the largely illiterate *Shovito*, once a sergeant in the National Guard of deposed Nicaraguan dictator Anastasio Somoza, later one of the most effective contra field commanders, of his tough mistress, La Negra, of Camero and of Rutilandazo, contra commanders whose names aptly reflect their ruthlessness. But Delany's book is also a story of government policy in disarray. His description of CIA chief William Casey's ideological fervor is particularly effective.

Dick's lean, telegraphic prose often resembles fantasy-rich Latin American fiction, perhaps because the events he describes are so bizarre. But he treats his characters with respect, letting their words and deeds speak for themselves. The result is a damning indictment of a campaign that shows no signs of overthrowing the Sandinistas, but simply kills Nicaraguans by paying peasants to kill peasants.

—LEONARD GLITSKY

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Rourke, Baskinger, a mystery man and a chorizo, lost in each other's flesh

FILMS

Passion when love hurts

34 WRECKS
Directed by Adrian Lyne

The first words the audience hears in *34 Wrecks* are, "Don't hit me!" Spoken playfully, they foreshadow the film's theme of a doomed, unrequited love affair between John (Mickey Rourke) and Elizabeth (Kim Basinger). He is a mystery man who lives and dresses elegantly but simply. She is an art gallery employee in New York's trendy SoHo district, a chorizo drifting aimlessly through life. When they first make eye contact, in a Chinatown market, the air is charged with a sexual electricity that frightens but tempts her. When they meet again John takes her to a friend's beachhouse and tells her: "I don't know you. You don't know me. There's no one to hear you if you called out." Frightened silent, Elizabeth retreats—but she is drawn to the sense of danger. When they embark on their affair the two lovers become lost in each other's physical love, leaving the rest of the world behind.

34 Wrecks is an extraordinary excursion into the intensity of heightened sexual intimacy. Almost lacking in conventional drama, the movie merely reports the affair's progress. But it is always riveting. The director, Adrian Lyne (*Flashdance*), evokes almost everything John and Elizabeth do. Visually, the film has a romantic glow, but deep shadows lurk in the back-

ground. Sex becomes a form of theatre, both exciting and unsettling. "May I blindfold you?" John asks her. She allows him. "Does it frighten you?" he asks. "Yes," she replies. "Does it excite you?" "Yes," she says. He rubs his calves all over her body and the screens with pleasure. Later, telling her to close her eyes, he shows jelly and hot peppers into her mouth during a sensual-gastronomic exercise, finishing by pouring honey down her thigh.

34 Wrecks is adult enough to make some viewers uncomfortable—and may even make some angry. But the movie does have a moral: the sexual liberation that John and Elizabeth experience does not lead to emotional enlightenment. He refuses to tell her anything about himself. Instead, when she starts investigating his life and discovers that he is a Wall Street 5-saucer, he retaliates. After Elizabeth suffers a final humiliation, she leaves him. The spell has been broken.

Although the producers have cut some of the film's more sexually explicit scenes, and continuity is often lost, *34 Wrecks* remains fiercely textured and highly pitched. The viewer becomes hypnotized by the brilliant, high-strung performances of Rourke and Basinger and the emotional blood-mess of both. Sex has rarely served so tantalizingly raw and love so painful, by any way.

—LAWRENCE UPDEGROVE

Horror on the highway

THE HITCHER
Directed by Robert Harmon

While delivering a car to California, teenager Jim Halsey (C. Thomas Howell) meets the Texas Parkmobile and begins to fall asleep at the wheel. It is four o'clock in the morning and raining hard. In need of conversation to stay awake, Halsey picks up a hitchhiker (Robert Houser). The two men stop when they see a Volkswagen on the side of the road, with its doors open. A shocked Halsey notices that the passengers have been mutilated. Then the hitchhiker, who gives his name as John Ryder, takes credit for the deed. Horrified, Halsey asks, "What do you want?" Ryder gives and says that he wants Halsey to stop him from killing others. Halsey flees, pursued by the psychopathic Ryder, who allows him to escape only to catch him again and taunt him. With a glazed, crazed look in his eyes, Ryder becomes a lonely driver's worst nightmare.

The Hitcher is frightening, effective nonsense, littered with gruesome suggestions. The viewer seldom sees the gore. Still, the film offers moments when little is left to the imagination: on a roadside drive, Halsey picks up what he thinks is a French fry—but discovers that it is a severed finger. After the Texas police decide that Halsey himself is the mass murderer, the action turns to shootouts and car chases. Although derivative, the movie still manages to convey the insupportable logic of a horrible dream. Director Robert Harmon conjures impressive images of desolation in the wide expanses of the Panhandle. And cinematographer John Seale (*Witness*) dresses the daylight scenes with unworldly hardness. Although the stalking camera is a familiar technique in modern horror films, Harmon deploys it to maximum effect.

Still, the movie would have been more compelling had the script given Halsey a distinctive personality. It is difficult to care about him until he is befriended by a waitress named Nash (Jennifer Jason Leigh), and even that human element arrives too late. As well, the strange communion between Ryder and Halsey becomes ludicrous when they meet for a final showdown. Despite the fact that *The Hitcher* is both conventional and ultimately hollow, it does take the viewer for a scorching ride.

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TECHNOLOGY

Fear of a plastic gun

More than 30,000 Americans die each year from handgun-related incidents—murders, suicides and accidents—and concerned gun-control lobbyists estimate that one in every four U.S. families possesses a handgun. Now, the importation of an Austrian pistol, authorized by the U.S. Bureau of Alcohol, Tobacco and Firearms, has touched off a new firearms controversy. Advocates of stricter gun controls have dubbed the 8-mm. Glock 17 pistol "the hijacker's special" because they fear that, with its plastic frame that can be disas-



Glock 17 and ammunition clip: the 'hijacker's special'

sembled, someone could slip it past metal detectors at airports. Said Michael Beard, president of the Washington-based National Coalition to Ban Handguns (NCBH): "The 'hijacker's special' may soon become the weapon of choice for terrorists."

Glock Ges.m.b.H., a Vienna-based high-technology firm which specializes in military and police products, has been manufacturing and distributing the guns in such countries as Sweden and Norway—and Canada—since 1983. But so far there has been no organized protest against the Glock 17 in Canada, at least in part because handguns are restricted weapons and must be registered with the RCMP. Richard Staff Sgt. Ronald Kavelin, the Ottawa RCMP officer responsible for firearms registration, "This gun is no more of a threat than any other gun used for lawful purposes."

In Washington, journalists Jack Anderson and Dale Gribbin recently disclosed U.S. concerns that the plastic gun might give terrorists a powerful new weapon. In a January article they

cited unnamed "intelligence sources" who said that Libyan leader Col. Muammar Khadaifi was trying to buy as many as 500 Glock 17s—a report described by a company spokesman as completely unfounded. And handgun coalition members noted characteristics that could make the pistol particularly attractive to terrorists: it weighs only 23 ounces (compared to 32 to 40 ounces for similar metal weapons), offers more reliable firepower because it will not corrode or jam and can be taken apart easily.

The main concern of the gun's critics is that a potential hijacker could pack the primary metal parts, including the barrel, separately in carry-on luggage and the image of a pistol would never register on airport X-ray machines. Indeed, Anderson and Van Atta reported last January that a Pentagon security report twice managed to mistake a disassembled Glock 17 on board a jetliner at the Washington airport—once with the pistol's metal spring wrapped around a pair of eyeglasses. Still, Glock vice-president

Karl Walter rejects criticism of his company's products. Said Walter: "They are as easily detectable as any weapons. There have been many handguns in the past, with all types of steel—but never with a Glock."

But the weapon—which is now selling in U.S. stores for around \$450 (as much as \$300 less than a comparable metal gun)—is only an interim step in gun technology. Indeed, the president of a 10,000-member association of U.S. firearms dealers predicted last April that U.S. firms would soon perfect an all-plastic handgun. Declared Fort Lauderdale dealer Andrew Malchuk: "If a 100-percent plastic gun works, this would be great for sales. What this does is make everything that has been produced in this century obsolete." For their part, NCBH members want the U.S. House of Representatives to pass a bill designed to stymie the proliferation of plastic weapons. Their chief concern: banning all guns that are not detectable by X-ray machines.

—NORMA UNDERWOOD in Toronto

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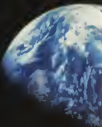
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ARCHAEOLOGY

Finding Maya's tomb

In an archaeological dig, months of painstaking excavation usually precede even minor discoveries. But an unexpected turn in an underground passage led archaeologists Geoffrey Martin and Jacobus van Dijk to the discovery of a lifetime last Feb. 6. The two scientists were clearing debris from a tomb 48 km north of Cancun when they found a hole which ancient

probably carried off valuable objects the tomb may once have contained. And he suggested that the yellow and red reliefs (showing Maya and his wife, Meni, adoring the gods of the underworld) will probably prove to be the most important aspect of the discovery. Still, van Dijk pointed out that it will take at least three years to remove the mud covering the tomb.



Van Dijk: a spiral staircase, wall reliefs and the discovery of a lifetime

grave robbers had made in the foundations. The opening led to a narrow shaft which ended in a spiral staircase. At its bottom, 40 feet underground, the two men found themselves in the narrow rooms of another tomb, covered in what Martin called "the most wonderful reliefs and inscriptions, in pristine condition." As they deciphered the messages, van Dijk turned to Martin and said, "My God, it's Maya."

Maya is well known to Egyptologists as the treasure of the 18th-century pharaoh Tutankhamun. Indeed, a Prussian archaeologist found his tomb in 1880 but did not excavate the deeply buried chamber. Then, wilderness explorer and quickly covered the site near the ruins of Memphis, the administrative capital of ancient Egypt.

The rediscovery has revived stories of British archaeologist Howard Carter's discovery of fabulous treasure with Tutankhamun's tomb in 1922. But Martin and van Dijk swiftly discouraged speculation that they had made as rich a find. Van Dijk said that both ancient and modern looters had

Meanwhile, several Egyptian archaeologists swiftly discovered the find. Gussal Mukhtar, former director of the Egyptian Antiquities Authority, called it "a discovery of no great importance." Added Mukhtar: "It is definitely wrong to estimate a find before it has been completely excavated. The fact that some beautiful inscriptions have been found is no criterion."

One member of the Anglo-Dutch team that discovered the tomb attributed the criticism to professional jealousy, but other archaeologists agreed that the find was similar to several recent tomb discoveries in the same area. Said the University of Toronto's Donald Redford, currently supervising a dig near Tutankhamun's tomb in Thebes, 800 km south of Cairo: "There have been some really spectacular excavations there in the past two years." Even if no treasure is discovered, Redford added, Maya's tomb will contribute important insights about the vanished world of ancient Egypt.

—JOHN KARRER in Toronto

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CITIES

Resisting an embassy

Residents of Ottawa's exclusive *Westcliffe Park* and neighboring *Master Park* are resisting a federal proposal to locate a new United States Embassy in their district. They offer two reasons: the need to preserve valuable parkland and the fear that the proximity of U.S. diplomats, prime targets for attack in the world, could bring trouble to the affluent neighborhoods. The concern is fed by memories of the attack a year ago by three heavily armed terrorists who stormed the Turkish Embassy near the city centre, killing a security guard and seriously injuring the ambassador.

The U.S. Embassy now occupies a prestigious location on *Wellington Street*, but for the past 10 years the federal government has sought to take over the site to complete Canadian ownership of the two blocks facing *Parliament Hill*. To that end, the National Capital Commission (NCC), a Crown corporation which has a mandate to plan Ottawa's appearance "in accordance with its national significance," forces a site for a new U.S. embassy in the *Mile Circle*, a 50-acre stretch of parkland along the *Ottawa River*, a five-minute walk from the U.S. ambassador's official residence. The proposed building and adjacent parking lot would take up 20 per cent of the federally controlled land. But the NCC prefers the site over 15 others because, among other things, it meets the requirements of new U.S. measures to protect its embassies—including the need to set the building at least 100 feet back from the road.

Still, the site is too close for the comfort of some local residents. *Reed Margaret Amshold*, who helped organize the *Save The Mile Circle Committee*. "We must face the fact that we live in a world capital in terrorist times." The committee has asked the NCC to investigate other alternatives, such as building a diplomatic enclave elsewhere. But the NCC has shown no signs of yielding. Declared NCC spokeswoman *Jan Barry*: "We are not charged with providing green space for local residents." Added *Joan Scholten*, NCC executive director of planning: "No matter what site was chosen, there would be opposition to it."

—ALISON HARE in Ottawa

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SHOW BUSINESS

A rising star with chameleon skills



June. Then, on Nov. 25, he appeared at Paris's famed Moulin Rouge to take part in the French music industry's first annual awards ceremony, *Les victoires de la musique*. There, the up-and-coming singer drew the evening's most prolonged ovation and a Moulin Rouge stagehand, who had earlier mistaken Gagnon for a technician, asked if he could carry his bags.

The chameleon skills that have provided Gagnon with international acclaim were apparent when he was a child. His mother, Marlene, who still lives in the working-class neighborhood of Loretteville where he grew up, recalls that her son began copying

her moves to perform *We Are the World*.

Along with talent, Gagnon has also had luck and during on his side. To win his *Thought Show* spot, his manager, Pierre Girard, contacted Carson Productions directly instead of first trying to launch his client on the U.S. club circuit. Then, a helpful Carson Productions secretary slipped the young Quebecer's video cassette into a screening machine for talent book executives at an opportune time. Winning the spot was a virtual catalyst. "I needed a prestigious American show to get English Canada to see my act," he said.

Since then, Gagnon has turned down several offers for other television shows and lucrative public appearances in order to honor previous commitments. Within days of his *Thought Show* appearance, he was back on the road doing comedy routines in small-town Quebec shopping malls. Then, he began refining his English-language act. "I am starting to find my own act," he declared.

The *Black and White* couple will rely more heavily on English-speaking characters, and it represents an attempt to convert his recent successes into more lasting stardom. After that, he may make a record. "English Canada and the United States are important and musical audiences for me," Gagnon said. "But my home will always be here in Quebec." And Quebecers appear to be prepared to reciprocate his loyalty in kind.



Gagnon in performance: "trumpet"

"BRUCE WILMADE is illustrated with MASCALAPINE CROISSANT in Paris.

video from TV cartoons when he was four. At 16 he enrolled at the Polytechnic of Loretteville's new theatre arts program. His teacher, Yolande Proulx, recalls that Gagnon was funny as well as ambitious. "He worked nights and weekends on every role he played," Proulx said.

Gagnon himself says that his skill is a result of a "musical ear and a strong sense of observation." He learned English only seven years ago and still speaks it with a heavy accent—yet he has mastered a wide range of vocal styles, including Bob Dylan's nasal twang and the soothing, stentorian tones of Prince Minister Brian Mulroney. And Gagnon's uniqueness ability to also take on the appearance of his subjects is achieved almost without the benefit of props, other than sunglasses and the headphones



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Putting a generation on the stage



National Theatre School alumni in *The Shoguns to Conquer*: "Incredibly valuable"

Oliver Goldsmith wrote a witty prologue to his rollicking 18th-century courtship comedy *The Shoguns to Conquer*. But it was not in evidence at the National Theatre School of Canada's 25th-anniversary alumni production at Montreal's Centre Theatre last week. Instead, director Lane Major replaced it with a 20th-century-style poem in which the cast threatened—should the audience not appreciate its efforts—to take the show to Stratford instead. Some critics later observed that the NTS production might not impress the Stratford Festival's discerning audience. Indeed, one of the participants whose work pleased the critics most, actor Eric Denkin, was not even an NTS alumnus.

Still, *Shoguns* was praise for another graduate, set designer Debra Hanson. And in the coming weeks it will accomplish yet another goal: its coast-to-coast tour after Montreal is likely to raise the country's awareness of its leading drama academy. And despite the NTS's continuing problems—a burdensome deficit and continuing questions about its relevance—actress Joy Coghill, a former director of the school's English drama section, said, "We have put a generation on stage."

For a quarter of a century the bilingual NTS has produced some of Cana-

da's most respected theatrical artists. Among the 700 students who have graduated from the school since 1960 are the celebrated performers Martha Henry, Marilyn Lightstone, R.H. Thomson and Quebec singer Robert Charlebois. At the granite-fronted NTS building on Rue St. Denis, acting students labor through grueling 14-hour days of instruction, including fencing and martial arts. There are also intensive programs in theatrical design and production. Under the school's rigorous regime, a third of the students drop out before graduation or are asked to leave. Still, the high standards have established the school's reputation as what former Stratford Festival director Robin Phillips described as an "incredibly valuable institution."

But the NTS's problems remain formidable. For one thing, many members of Canada's anglophone theatre establishment say that the school's value is diminished by its location in Montreal, where there is only one major English-language theatre, the Centre. But the school's defenders point out that moving the English section out of Montreal would require a duplication of facilities elsewhere, increasing operating costs. Besides, added Toronto actor Ted Dykstra, 26, who

graduated in 1989, "You get to make your mistakes far away from the public eye and the theatrical community."

More troubling is the school's financial situation. Although the NTS receives a relatively large 18 per cent of the Canada Council's theatre budget, the council's own budget has not kept up with inflation since 1971. As a result, the school carries a \$400,000 deficit on its \$2.5-million annual budget. Fighting back, NTS director-general Jean-Louis Houss has solicited support from the private sector: major corporations, including the Royal Bank of Canada and TransCanada Pipelines, are sponsoring the tours of both *Shoguns* and the French division's *Avenir* to east Africa, by Montreal playwright Michel Gauthier. Air Canada is providing free transportation.

Offshoots will close its tour in Toronto on May 2, while the English alumni production ends its travels on April 23 at Ottawa's National Arts Centre. By then Canada's largest theatre school outside is have conquered its critics and guaranteed its survival for another quarter-century.

—VERONIQUE ROBERT is Montreal with PETER GIFFIN in Toronto

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *The Mammoth Hunters*, *And* (1)
- 2 *Let Down with Love*, *Peter* (6)
- 3 *Texas, My Darling* (2)
- 4 *The Headmaster's Tale*, *Attwood* (4)
- 5 *What's Good in the Bone*, *Gassner* (7)
- 6 *Contact*, *Reynolds* (3)
- 7 *The Bourne Supremacy*, *Leahy* (5)
- 8 *Servant*, *Reed* (7)
- 9 *Cyclops*, *Chandler* (3)
- 10 *Gray Eagles*, *Usher* (4)

Nonfiction

- 1 *Company of Adventurers*, *Newman* (2)
- 2 *Stratford from the Heart*, *Christians* (7)
- 3 *Blue 9 in Paradise*, *Strangely* (5)
- 4 *Fit for Life*, *Diamond and Diamond* (4)
- 5 *Isacsons*, *Isacsons with Nisenz* (3)
- 6 *The Surgeon and the Rambler*, *Greene* (7)
- 7 *Callanetics*, *Forney with Deane* (5)
- 8 *Dancer in the Light*, *Maclean* (7)
- 9 *Bringing in the Rain*, *Greene* (5)
- 10 *Younger*, *Younger and James* (4)

1) *Publishers last week*



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Straightening out some confusion



By Allan Fotheringham

Zeus, Dr. Poth, it certainly is great to bump into you.

Clarified the specificity of the parameters of your phantasmagorical nonsense.

Well, yes, I've really surprised at Jean Chrétien getting out of politics.

Jean Chrétien is not getting out.

But I thought he resigned from the House of Commons?

There is only one game of politics, but there are two ways of playing it. One is from the inside. The other is from the outside. Chrétien has just switched tactics, that's all.

But why would he choose the outside route?

Simple. Because he can't win what it did for Brian Mulroney and John Turner.

I don't follow.

Both kept well away from Ottawa for a long period of years, pretending they weren't interested in politics. They were quietly playing politics all along. All that happened in that their tactics made each of them Prime Minister eventually. Chrétien's not dumb. Now he's going to try the same thing.

But he said he's quitting for good.

That's what Turner said, too. They knew the script. Have I ever had to you before?

And why would Chrétien switch from pretending law on Bay Street to pretending law in Ottawa with a couple of dozen weeks in Montreal?

Easy, dummy. He'll keep in touch with those Quebec backbenchers in Ottawa, keep a constant read on how Turner is doing, then fit to Montreal to keep his support going there.

Do you think his book sales went to his aid?

They went to his wallet. He will end up making \$250,000. For the first time in his life he has some financial security, so he can afford to wait on the fringe for a few years and hope that Turner will fall. What does Dr. Poth, do you think of all that?

He thinks it's great. It will make Turner angry, because he'll never know where Chrétien is or what he's doing. Allan Fotheringham is a columnist for *Maclean's*.

Before, he at least knew where Chrétien was.

Where was that?

On the book-fair tour.

Tell me about his book. Did he really write it?

Of course not. Writing your own book is a man's game. Look at the best-seller list. Lee Iacocca. Chuck Yeager. Patricia Freedy. The way you become a successful author is to become famous first, then have some back to hammer out a book with your talent on it.

You mean that's the way Peter Men-

must be trade barriers created.

Are the Japanese stealing their jobs?

No. They're just making ours and TV sets and tape cassettes that don't fall apart.

I see. So what's this got to do with Canada?

Because the protectionist mood is on the land, congressmen want to slap tariffs on Canadian logs and logs and steel and probably, next, maple syrup.

So why is Ottawa transposing free trade?

Don't ask dumb questions.

Say, I guess you're pretty impressed by the baseball commissioner crashing down on all those players into our drugs.

Yes, I'm sure an \$80,000 fine is really going to improve a millionaire.

It's nice to know the National Hockey League doesn't have a drug problem.

The well for decades has been ran on drugs.

Rock?

It's called beer.

You got anything else?

Certainly. The Manitoba Tories of Gary Filmon are lined with the Mulroney Tories of Ottawa for out-tempting, in the middle of their election campaign.

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man does it?

No. Actually all Peter Newman's books are written by Peter Berio and all Berio's books are written by Newman.

Does Jack McCallahan know about this?

There is no Jack McCallahan. He's the invention of a publishing house as a publicity device to sell books. Actually, he's played by an actor.

What's the actor's name?

Farley Mowat.

And what about Mortimer Snerd?

Answer: Tell me, is Washington governing us or just visiting in its free time?

Washington has never heard of free trade. Washington instead is filled with 300 hills headed in a gallop in the opposite direction.

What direction, you tell?

In the direction of protectionism. Lee Iacocca has convinced the American workman that those sneaky Japanese are stealing all their jobs and there

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